

# *The* NATIONAL UNDERWRITER



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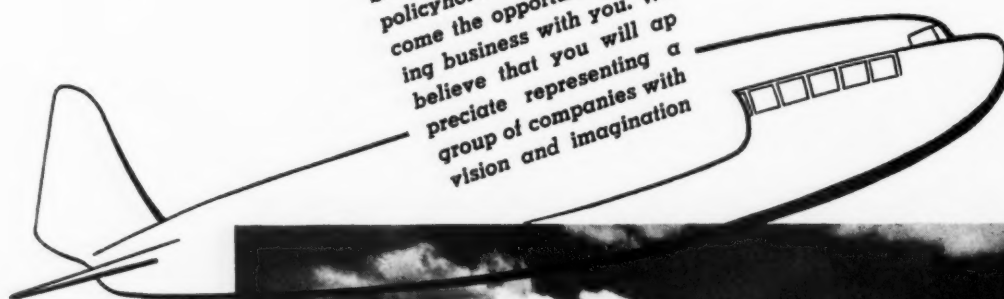
**STANDARD ACCIDENT INSURANCE COMPANY**

*Standard Service Satisfies . . . Since 1884*

**THURSDAY, NOVEMBER 10, 1938**

# IMAGINATION

It was imagination that created the modern skyscraper from the small one story building. It was imagination that developed the airplane from the flying crate to the present clipper ship. It was imagination on the part of the founders of our companies—five of which have been in business over one hundred years—that enabled them to keep step with rapidly changing conditions and resulted in this strong group of stock fire insurance companies. Even today the present officers and directors are men with a wealth of imagination ever alert for new methods and better opportunities to serve their twenty thousand local agents throughout the United States and their millions of policyholders. We will welcome the opportunity of doing business with you. We believe that you will appreciate representing a group of companies with vision and imagination.



## CRUM AND FORSTER MANAGERS 110 WILLIAM STREET, NEW YORK CITY

WESTERN DEPT. SOUTHERN DEPT. CAROLINAS DEPT. PACIFIC DEPARTMENT ALLEGHENY DEPT.  
FREEPORT, ILL. ATLANTA, GA. DURHAM, N. C. SAN FRANCISCO, CAL. PITTSBURGH, PA.

UNITED STATES FIRE INSURANCE COMPANY ORGANIZED 1824 THE ALLEMANNIA FIRE INSURANCE COMPANY OF PITTSBURGH ORGANIZED 1868  
BRITISH AMERICA ASSURANCE COMPANY, UNITED STATES BRANCH INCORPORATED 1833 RICHMOND INSURANCE COMPANY ORGANIZED 1836  
THE NORTH RIVER INSURANCE COMPANY ORGANIZED 1822 WESTERN ASSURANCE COMPANY, UNITED STATES BRANCH INCORPORATED 1851  
SOUTHERN FIRE INSURANCE COMPANY, DURHAM, NORTH CAROLINA INCORPORATED 1823 WESTCHESTER FIRE INSURANCE COMPANY ORGANIZED 1837

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in every agent's office

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If you are looking for short cuts to greater sales read our monthly magazine "The Employers' Pioneer." It's filled with ideas on selling, new coverages, collections and all other phases of casualty, fire and bonding lines. Send for your free copy of the current issue. Address Publicity Dept.



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The Employers' Liability Assurance Corp. — The Employers' Fire Insurance Co. — American Employers' Insurance Co.



WEEKLY  
NEWSPAPER  
OF  
INSURANCE

# The NATIONAL UNDERWRITER

Forty-second Year—No. 45

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 10, 1938

\$4.00 Per Year, 20 Cents a Copy

## Further Plans of New Paramount Fire Setup Are Given

### Organization Will Be Completed in New York This Month

It is expected that the new Paramount Fire which is being organized to write the business of members of the American Mortgage Bankers Association will complete its picture some time this month when the promoters meet in New York City. Owen M. Murray, who was former president of the Mortgage Bankers Association, is slated to be president. He is a local agent at Dallas and is owner of the Murray Investment Company. R. A. Thorne of Dallas, southwest manager for the Lincoln National Life for mortgage loans, is to be executive vice-president and is expected to go to headquarters in New York City. As already announced, the Paramount Fire will insure its business 100 percent in the Home of New York.

### Harrington Insurance Advisor

The promoters predict that it will write \$1,000,000 of premiums the first year. The stockholders are told that there will be a declaration of substantial dividends largely due to profit on the reinsurance and a contingent added to the loss ratio as low as 10 percent. W. Eugene Harrington of Atlanta, the insurance advisor, will be a director. He is chosen for this position that the company can operate in harmony with the principles of the American agency system and so that it will work with local boards and bureaus.

The Paramount will have no official connection with the Mortgage Bankers Association although those who are promoting it are members of that organization. It is not intended to restrict its business entirely to that coming from the mortgage banker people. Naturally it expects the big part of its business to come from the mortgage bankers. Mr. Murray is a member of the Dallas Insurance Agents Association and is prominent in the Texas Mortgage Bankers Association having been its president.

Mr. Thorne was formerly located at the head office of the Lincoln National Life in Fort Wayne, being manager of its mortgage loan department for 13 years. During the first part of 1938 he was transferred to Dallas to take charge of its important southwest loans.

## TEXAS COMMENT

FORT WORTH, TEX.—The "Texas Insurer," house organ of the Texas Association of Insurance Agents, in commenting on the Paramount Fire, says: "While the organization of this company has created quite a disturbance

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## Personal Property Form Is Revised

### All-Risk Inland Marine Contract Is Liberalized by I. M. U. A.

A revised, liberalized personal property floater form, optional until Jan. 1, and mandatory for all policies attaching after that date, was announced by the Inland Marine Underwriters Association. It is broader in application and simpler in phraseology than the policy heretofore in use.

This form is world wide in its application. It is believed it will be well received by the insurance fraternity, as an evidence of the I. M. U. A.'s policy of keeping abreast of the times, while at the same time furnishing indemnity on a sound business basis.

### Restriction Is Eliminated

One of the main items of liberalization found is elimination of the clause which limited coverage on furniture in storage warehouse to three months. There is therefore no time limit on this coverage in the new form.

Another important change is definition of articles of brittle or fragile nature. This clause in the new form stipulates coverage is not provided against breakage of "eyeglasses, glassware, statuary, marbles, bric-a-brac, porcelain and similar fragile articles (jewelry and watches excepted), unless caused by fire, lightning, theft or attempted theft, cyclone, tornado, windstorm, earthquake, flood, explosion, malicious damage or accident to conveyance." The new form is broadened by addition of "lightning, theft or attempted theft, cyclone, tornado, flood and malicious damage."

With the great popularity of candid cameras, there has been some question under the old clause whether camera lenses were covered against breakage under the personal property floater, as they are undoubtedly made of a material of brittle nature. However, inland marine men say the new definition without doubt covers such lenses. This, therefore, is a strong sales point with many assured.

### Now Refer to "Household"

The word "household" has been substituted in the form for "domicile," in view of the fact that the New York supreme court has ruled that a domicile is a person's permanent home and principal establishment. Property permanently in residence other than the principal residence need not in the new form be specifically included by address, as it is covered by the new phraseology and by the secondary location additional amount endorsement.

A new clause provides blanket floater coverage on property ordinarily situated throughout the year at residences other than the principal one, this coverage being for not more than 10 percent of the amount of unscheduled personal property shown in the policy. If more than 10 percent is desired it is necessary to endorse the policy to this effect.

The clause stating the limitations on jewelry, watches and furs and the com-

## Countersignature Parley Idea Dropped

### Bowles Says Bennett Statement Shows Agents "Don't Know What They Want"

RICHMOND, VA.—George A. Bowles, Virginia commissioner, recently suggested that a conference of all parties interested in so-called countersignature laws be held in connection with the December meeting of the National Association of Insurance Commissioners in Des Moines, the suggestion being made in a talk before the Norfolk Board. After reading an article in the "American Agency Bulletin" by W. H. Bennett, general counsel National Association of Insurance Agents, in which Mr. Bennett commented on certain phases of the Virginia situation in respect to the new law, Commissioner Bowles gave out a statement in which he said:

"It is to be regretted that Mr. Bennett construed my remarks in Norfolk as being inspired by a feeling of irritation. I can assure him that no such feeling existed but on the contrary I was actuated solely by a spirit of sincere cooperation. His 'message,' as he terms his article, convinces me as insurance commissioner of Virginia that I got out on the wrong limb by sponsoring the agents bill, since the agents themselves, according to Mr. Bennett, do not yet know what they want. I had been told by the Virginia agents that they did know what they wanted. Acting upon that theory I used my influence and the influence of my department to get them what they wanted by appropriate legislation. It is to be hoped that Mr. Bennett, as general counsel of the National Association of Insurance Agents, will be successful in bringing about a meeting of minds before any further agents' laws are introduced in the Virginia legislature.

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pany's liability in connection with these has been clarified.

Another new clause provides there is no insurance on property ordinarily situated throughout the year at residences of the assured located in states where the form is prohibited by law or state administrative regulations. This is added because of the floater coverage, to preserve the legality of the contract in states where the personal property floater cannot legally be issued.

Bicycles in the new form are deemed to be conveyances. This clause has been clarified. The intent of the new form has been to provide coverage as broad on jewelry and watches as that afforded by the jewelry and fur floater. Therefore a clause in the new form covers damage sustained due to and resulting from any repairing, restoration or retouching process. The war, invasion, hostilities, etc., clause has been redrafted to meet modern conditions. The new form in the section devoted to declaration of assured recognizes that the honest assured can estimate only the approximate value of his personal property at time of issuance of the policy.

## Tuesday's Election Affects Many of the Commissioners

### Republican Governors Will Naturally Turn to Their Own Group

From all indications there will be a lot of new faces in insurance commissioners' offices after governors take their seats next January if there is no definite term fixed. Therefore, the mid-year meeting of the National Association of Insurance Commissioners at Des Moines may be a session of "lame ducks" comparable to the memorable meeting at St. Petersburg, Fla. some years ago just after the great Democratic landslide when so many Republicans were swept far from their moorings. California elects a Republican governor, which means the ultimate decapitation of Commissioner Goodcell, recently appointed. Governor Cross of Connecticut, the college professor official, goes out of office. If that means the dethronement of Commissioner J. C. Blackall it will bring great regret to all as he is one of the most competent supervisors in the country. Iowa seems to have elected a Republican which may affect Commissioner Maurice Pew, who will be the commissioner host at the forthcoming Des Moines meeting. He too is highly regarded. Maryland, which has been Republican, elects a Democratic governor but Commissioner W. S. Hanna seems to hold out regardless of who heads the state government. Massachusetts swings into the Republican column again and this may have an effect on Commissioner C. F. J. Harrington who is an insurance man, has started in office with real understanding and is giving great satisfaction. Governor Murphy is defeated in Michigan which probably means the removal of Commissioner Gauss, who is a most competent official. Minnesota also swings into the Republican column which will mean a successor to Commissioner Frank Yetka. He, by the way, was the first commissioner ever appointed that resided outside of the Twin Cities.

### New Jersey Republican

New Jersey likewise has elected a Republican governor but it will not affect the department so much as Deputy C. J. Gough constitutes the department himself and continues in office. The Republicans capture Ohio, which means a new superintendent there to succeed Robert L. Bowen. Pennsylvania, which prior to the big landslide of a few years ago to the Democratic columns, has been one of the strongholds of Republicanism, returns to its old colors, which, of course, means another commissioner to succeed the

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## Use and Occupancy Means Only Earnings Protected

W. S. Foster of Oak Park, Ill., retired assistant western manager of the North America, in his talk on use and occupancy before the Missouri Fire Underwriters Association, said that in his opinion most of the speakers who had treated the subject had covered too much territory. He asked, why is any business ever established, let it be a manufacturing plant, a store, a hotel or an insurance agency. He said there can be only one answer to that and it is earnings. Every business that has been founded, he said, has its purpose to produce earnings. The making of earnings is the most important function of any business in a man's life after looking after the welfare of himself and his family. And after all, he said, the welfare of himself and family is tied up closely with his earnings.

### Why Fixed Expenses?

If use and occupancy protects only earnings why does the use and occupancy policy place so much stress on fixed expenses? Mr. Foster said that when U&O was first conceived by Henry R. Dalton more than 50 years ago it was written to protect net profits. After a time when losses occurred a policyholder found it necessary to make insurance recovery, pay taxes, interest, salaries and other similar expenses that continue whether business is operating or not. Therefore, there were little or no net profits left. So insurance companies were asked to extend the protection to include these fixed expenses. The forms were safeguarded by limiting liability to "actual loss sustained" of net profits and fixed and unavoidable expenses. Later on it was proposed to change the language from net profits and fixed and unavoidable expenses to gross profits less avoidable expenses.

### Leads to Same Point

Either road brings a person to the same point, he said, but it was felt that there was greater sales value in net profits and unavoidable expenses, presumably in the opportunity it offered to remind prospects of the taxes, salaries, interest, contracts, insurance premiums, etc., that continue during idleness as well as operation. Therefore, the formula that is in vogue today with all the emphasis that it places on fixed and unavoidable expenses is all due to an eye to help agents sell this protection. The words "actual loss sustained," said Mr. Foster, were often overlooked or misunderstood and the forms were amplified somewhat afterward to limit liability to fixed expenses to the extent that they would have been earned had no fire occurred. This, he said, developed an unbelievable amount of misunderstanding on part of many agents, field men and company executives, all of whom had up to that time believed that fixed expenses were covered regardless of whether or not they would have been earned had no fire occurred.

### Expenses Must Be Earned

They argued that the policyholder had to pay them so why shouldn't the use and occupancy insurance pay them when a fire occurred. They overlooked the fact, continued Mr. Foster, that if they were not being earned at the time of the fire they were already a loss and the mere happening of a fire must not be allowed to shift the burden of those expenses from the shoulders of the policyholder to those of the insurance company. Mr. Foster said that had they only thought about it they would have found constantly before them a reminder that fixed expenses not being earned were not covered. He referred to the familiar per diem form with its limit of 1/300 of the amount of the policy for each business day. Why 1/300, he asked? Because there are approximately 300



W. S. FOSTER

business days in a year after deducting 52 Sundays and holidays. On these days, he continued, the fixed expenses are just as great as they are on business days. Do not the banks charge interest for Sundays? Do not owners charge rent for Sundays? An even more striking example, he asserted, is that of the seasonal form which provides for, say, not exceeding \$1,000 a day from Aug. 1 to Sept. 30, and for "nothing" from Oct. 1 to July 31 in case of a tomato cannery. Therefore, he said, the stipulation that fixed expenses are insurable and collectible only to the extent that they would have been earned had no fire occurred did not change use and occupancy practice in any particular.

It will not be denied, Mr. Foster stated, that net profits are earnings and if fixed expenses are protected only to

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## Haldiman Again Is Head of Arizona Local Agents Body

PHOENIX, ARIZ.—The Arizona Association of Insurance Agents held a most successful state convention here with practically the entire membership in attendance. President Wm. H. Menn of the National association was the principal speaker and after discussing the problems of the agents along the lines he did at the Fresno, Cal., convention, urged all to request the insurance department not to license unqualified or incompetent men. He said that the department should not license any financial or lending agency that used pressure to get business, and that the department would cooperate in every way to better the conditions of the business. He congratulated the agents on their good work and said that they should have a membership of at least 100 when the 1939 convention meets in Tucson, which city had been selected as the place of meeting.

Officers elected for the coming year were: V. M. Haldiman, Phoenix, president; George Amos, Tucson, vice-president, and Jas. C. Miller, Phoenix, secretary-treasurer. Messrs. Haldiman and Miller are reelections.

### Committees for Mid-Year Meet

TAMPA, FLA.—President Mitchell Stallings of the Florida Insurance Agents Association has announced the committee chairmen for the mid-year meeting of the National Association of Insurance Agents at Hollywood in April: General, Roland Hardy, Pompano; publicity, Fred E. Willis, Hollywood; registration, Miss Gertrude E. Terry, Miami; entertainment, Briggs Branning, Miami; reception, O. Mitchell Stallings, Tampa; monitor, W. D. Chandler, Hollywood; automobile, Amos Hall, Hollywood; information, J. D. Bryan, Fort Lauderdale; ladies, Mrs. George C. Stemler, Miami; golf, Marvin D. Adams, Miami. The host for the meeting will be the Broward County Insurers Association, assisted by the Greater Miami Board.

## Prof. Blanchard for Qualification Laws and All-Risk Covers

### Warns Connecticut Agents They Should Not Wait for "Demand" from Public

NEW HAVEN — Promotion of agency qualification laws and of the all-risk coverage principle were recommended as constructive types of competition by R. H. Blanchard, professor of insurance Columbia University, in his address to the Connecticut Association of Insurance Agents. Professor Blanchard warned of the dangers of one type of insurance fighting another and of failure to take a progressive attitude toward liberalizing insurance laws on the ground that there is no "demand" for them.

"Insurance should not wait for a demand for an improved product," Professor Blanchard declared. "It should create the product and demonstrate to insured that it is an improvement. Just how the uninformed insured public is to organize and make effective a demand, with sufficient insistence to convince insurers, is beyond me."

### Cites Factory Mutuals

As an example of what can happen when orthodox insurance fails to meet the insuring public's needs, Professor Blanchard cited the origin of the factory mutual idea back in 1835 to obtain rate reductions for improved construction and preventive devices after credit for these factors was refused. He pointed out that in 1890 the Factory Insurance Association was finally organized to perform equivalent services on behalf of stock companies. He also observed that there was little interest on the part of American companies in writing bankers' blanket bonds until competition from London Lloyds threatened their premium volume.

Urging a long-term view, Professor Blanchard said that he believes the interests of insured and insurer are identical in the long run but warned against "short-run practicality."

"The dinosaur used to wander about the countryside well armed against the perils of his day—but it is said that when the climate changed he had no ideas," Mr. Blanchard said.

### "Protecting What You Have"

"Beware of short-run practicality which often consists merely in protecting what you have. Long-run practicality involves looking into the future, forecasting trends, and suiting yourself to them. Lord Bryce once said that one should learn to view the present as though it were the past—a very practical suggestion."

Professor Blanchard said that if the business of insurance agency is to prosper, its clients must be satisfied that its services are worth while, and if clients are kept in a state of satisfaction they will not be so much concerned with price as is the case where they feel that one kind of insurance is about the same as another. Urging the furtherance of agency-qualification laws, he said:

"The passage of agency-qualification laws and the gradual sifting of agency results by the carriers have done something and might do a great deal more to raise the general level of the business of insurance agency. All of these efforts, however, should be directed toward the development of competence and char-

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## THIS WEEK IN INSURANCE

Personal property floater form completely revised by Inland Marine Underwriters Association. **Page 3**

Many changes are prognosticated in the list of insurance commissioners following Tuesday's state elections. **Page 3**

The Paramount Fire expects to complete its organization in New York City some time this month. **Page 3**

Commissioner Bowles of Virginia withdraws suggestion for conference on countersignature laws in view of statement by Secretary Bennett of National Association of Insurance Agents; says agents apparently "don't know what they want." **Page 3**

C. H. Tiedemann, New England state agent of the Sun of England, becomes assistant secretary at its head office. **Page 12**

V. M. Haldiman of Phoenix reelected president Arizona Association of Insurance Agents. **Page 4**

New officers elected by the Chicago Insurance Agents Association. **Page 11**

Complete program of the annual meeting of the Illinois Association of Insurance Agents is presented. **Page 5**

Henry L. Bailey, Jr., of Groton elected president of Connecticut Association of Insurance Agents at its annual meeting in New Haven. **Page 5**

Prof. R. H. Blanchard of Columbia University addresses Connecticut agents association. **Page 4**

Extent of damage suffered by plants in the North Atlantic coast hurricane, Sept. 21. **Page 8**

W. S. Foster talks on use and occupancy insurance before Missouri Fire Underwriters Association. **Page 4**

New Minnesota state insurance directory for 1938 is off the press of The National Underwriter Company. **Page 15**

V. M. Haldiman of Phoenix, president Arizona Agents Association, urges higher standards for agents in his presidential address. **Page 5**

Illinois department sends out uniform statistical manual to go into effect Jan. 1. **Page 11**

American Association of Insurance General Agents asks the casualty and surety executives to designate their top commission local agents by some other title than "general agents." **Page 17**

J. E. Powell, Provident Life & Accident, reviews differences between the underwriting of accident and health and life insurance. **Page 17**

Gale, Smith & Co., Nashville agency, celebrates the 70th anniversary of the founding of the firm. **Page 18**

"Sales Contests That Click" described at meeting of Chicago Accident & Health Association. **Page 19**

Minneapolis, St. Paul and Duluth will discontinue their salvage corps, transferring them to the municipal government. **Page 31**

Three-year term plan for jewelry-fur floaters, inclusion in three-year term personal property floaters approved by I. M. U. A., with some rate concessions. **Page 33**



## Arizona President Tells Agents Some Needs of the Hour

### Urges Local Representatives to Adopt Higher Business Standards

PHOENIX ARIZ. — V. M. Haldiman of Phoenix, president of the Arizona Association of Insurance Agents, in his talk at its annual meeting said that the organization is associated with the far west conference of insurance agents. He believes that it is highly necessary for the Arizona people to have these outside contacts. Referring to the demand made for examinations for agency licenses, he said that the members should first put their own houses in order before urging too stringent regulations for the licensing of new agents. Members, he said, must first qualify before trying to set up standards for others.

#### Lack Insurance Knowledge

He finds that too many agents lack insurance knowledge and they rely too much on company men. Mr. Haldiman said that the agency system nationally has been undermined by the great mass of unqualified agents. Mr. Haldiman said, "It should not be our purpose to legislate anyone sincerely desiring to enter the insurance business or to remain in it, out of it but it should be our purpose to provide means whereby these persons may secure such knowledge as is necessary to equip them properly so that they may serve the public as real insurance counselors."

He said that new sets of examinations for agency licenses have been adopted. The order issued by the Arizona Corporation Commission to fire and casualty companies about agency licenses conforms rather closely to the guiding principles of the California Association of Insurance Agents.

The Arizona association has been incorporated. Membership has been materially increased. President Haldiman said that it is necessary to have a paid secretary in order to accomplish what is desired. There should be district meet-

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## Completed Program of Illinois Agents' Annual Convention

President W. H. Jennings of the Illinois Association of Insurance Agents announces the final program for its annual meeting Wednesday and Thursday at Peoria, the official headquarters being the Pere Marquette Hotel. The schedule is:

#### Wednesday, Nov. 16

9 a. m. Rural agents' breakfast conference, Mark I. Hall, Belvidere, presiding.

Insuring the Farmers' Automobiles, C. A. Swann, Decatur.

Rural Agents' Problems, Fred Sundlof, special agent Hartford Fire.

New Farm Policy, W. J. Benz, special agent farm department America Fore.

Address, R. W. Forshay, Anita, Ia., chairman rural agents' committee National Association of Insurance Agents.

10 a. m. Local board conference, James J. Beattie, Rockford, presiding.

Membership Requirements and Classes of Membership, Francis Colehour, Rockford.

Advantage of Co-extensive Membership in State and National Associations, Casper Brown, Springfield.

Collective Advertising, F. H. Hawk, Peoria.

Business Development Office Program for Local Boards, D. J. Harrigan, St. Paul.

Fire & Marine, general chairman B. D. O. state of Illinois.

Elimination of Part Time Agents, D. V. Moody, Elgin.

Open discussion.

Committee conferences, chairmen presiding.

Afternoon Session, Nov. 16

Address of welcome, D. N. McClugage, mayor of Peoria.

Response, Allan I. Wolff, Associated Agencies, Chicago.

President's report, W. H. Jennings, Jr., Rockford.

Appointment of nominating committee.

Appointment of resolution committee.

What About Tomorrow? R. W. Forshay, Anita, Ia., member executive committee National Association of Insurance Agents.

Financial Responsibility and Drivers' License Laws, W. D. Forsyth, general supervisor auto department office of secretary of state.

Basic Principles for Successful Selling, F. W. Potter, field representative Aetna Casualty & Surety.

"Word Magic," film.

Banquet, W. H. Jennings, Jr., president, presiding.

Toastmaster, E. D. Lawson, manager western department Fireman's Fund, Chicago.

Remarks, Ernest Palmer, Illinois director of insurance.

Coordination Between Company and

## SEC Names Aides for Insurance Probe

WASHINGTON, D. C.—Direction of the investigation of insurance companies, which is being made by the Securities & Exchange Commission for the so-called monopoly investigating committee has been turned over to Gerhard Gesell, appointed chief attorney, and Ernest J. Howe, chief financial adviser.

Mr. Gesell, a native of New Haven, Conn., has long been associated with the commission as a trial and enforcement attorney, recently serving as SEC counsel in the investigation of Richard Whitney, former head of the New York Stock Exchange.

Mr. Howe is a newcomer to the commission. A native of Denver and a resident of South Orange, N. J., he has been in the investment banking business for 15 years and his work has brought him into active contact with the investment policies of insurance companies. From 1934 to 1936 he was special financial representative of the Federal Housing Administration.

Agent, Vincent Cullen, president National Surety.

Our Great Achievement, Clarence W. Heyl, attorney, Peoria.

Closing Remarks, W. H. Jennings, Jr.

#### Morning Session, Nov. 17

Meeting called to order by president.

Report of secretary-treasurer.

Report of national councillor.

Reports of standing committees.

Public Relations—Your Job, H. K. Schaeffer, assistant manager National Board.

Premium Financing, Henry Olson, Chicago, manager First Bancredit Corporation.

Survey of Program Selling, Dudley F. Giberson, Alton.

Casualty Lines, Charles Daniels, special agent Eagle Star.

Fire Engineering and Rate Analysis, B. A. Jochen, New York, assistant manager Eagle Star.

Future of Long Haul Trucking Insurance, H. Edward Reeves, Chicago.

Policy Forms and Endorsements.

Automobile Financing.

Amendments, presented by chairman of board.

Report of resolution committee.

Report of nominating committee.

Election of officers.

#### Annual Meeting in Chicago

The National Fire Protection Association announces that the 1939 annual meeting will be held at the Stevens hotel in Chicago the week of May 8.

## Bailey Chosen Head of the Connecticut Agents Association

### Some of the Chief Features of the Annual Convention

By RALPH E. RICHMAN

Henry L. Bailey, Jr., Groton, elected president of the Connecticut Association of Insurance Agents at its annual meeting in New Haven, indicated that the body would make further attempts to strengthen the agency qualification law. In a few remarks after his election he emphasized the desirability of quality agents. Mr. Bailey also believes that much good can be done in New England by close cooperation among the various state associations working through the New England advisory board. He criticized the method of promulgating the safe driving reward plan without having consulted the sales forces of the business and also criticized the distribution of brokerage commissions.

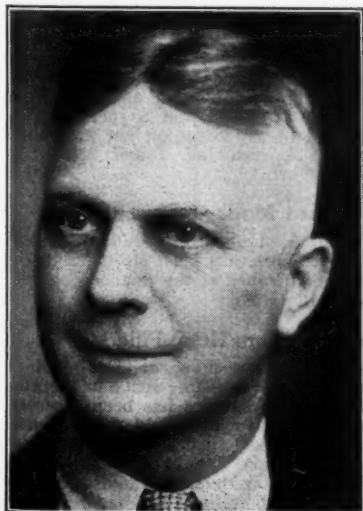
#### Other Officers Elected

Elected with Mr. Bailey were E. F. Cowles, Jr., Hartford, vice-president; J. Randolph Belcher, New Haven, secretary-treasurer, and Harold Hatch, New Britain, national councillor. Mr. Hatch succeeds the late Frank W. Brodie, Waterbury, in that position. He is the active manager of the strongest agency in New Britain. Elected as honorary vice-presidents were: Leonard F. Whelan, Greenwich, retiring president, and Thomas Sturges, New Haven, who served as president three and four years ago.

President Leonard Whelan in his annual address reported that the Connecticut association has 329 members. Reporting on the progress of coextensive membership in the state association and local boards, he said that Willimantic had followed this procedure and that Torrington was expected to act soon. Harold Hatch reported for the agency

(CONTINUED ON PAGE 28)

## WILL PARTICIPATE IN ILLINOIS AGENTS CONVENTION



MARK I. HALL, Belvidere  
Rural Agents Chairman



DUDLEY GIBERSON, Alton  
Surveys and Programming



H. EDWARD REEVES, Chicago  
Long Haul Trucking



MRS. LILLIAN L. HERRING, Chicago  
Assistant Secretary



## NEWS OF FIELD MEN

### Fireman's Fund Ohio Shifts Announced

Quite a surprise was sprung on the Ohio insurance fraternity this week when it was announced that Ralph W. Hukill of Norwood, O., had resigned as special agent of the Fireman's Fund group in southern Ohio. Mr. Hukill is most loyal grand gander of the Blue Goose and is one of the best known field men in the state. While no official announcement is made this week it is understood that he has connected with one of the large eastern companies in the Ohio field.

Manager E. D. Lawson of the Fireman's Fund in the west announced following Mr. Hukill's resignation that Kenneth J. Hoag of Columbus will take over Mr. Hukill's territory. Mr. Hoag has heretofore handled central Ohio. He will now be in charge of the southern portion including Darke, Miami, Champaign, Madison, Franklin, Licking, Muskingum, Guernsey, Belmont counties and all others south. His service will be augmented by that of State Agent Walter A. Sawyer of Cleveland, Marine Special Agent Charles Martell and Engineers C. J. Lauer and George Wheaton. State Agent Sawyer will have immediate supervision over the balance of the state. That portion of the Kentucky territory adjacent to Cincinnati, formerly handled by Mr. Hukill in connection with southern Ohio, will now be supervised by J. W. Bethel of Louisville, state agent for Kentucky.

Messrs. Lauer and Wheaton have their headquarters with State Agent Sawyer and Marine Special Agent Martell in the Union Commerce building, Cleveland. Special Agent Hoag will continue his present headquarters at 5 West Broad street, Columbus. The Fireman's Fund has a thoroughly effective and service giving field staff in Ohio.

### Mills Honored in Wichita on Transfer to Oklahoma

WICHITA, KAN.—W. R. Mills, pollywog of the Sunflower puddle of the Blue Goose, who is leaving Nov. 15 to become special agent of the Commercial Union group in Oklahoma under State Agent H. E. Pate at Oklahoma City, was guest of honor at the Monday luncheon and was presented a brief case by G. E. Freese, big toad. Mr. Mills has been with the Kansas Inspection Bureau for four years, since graduation from Armour Institute.

W. B. Hershe, Western Adjustment, who has been croaker, was elevated to pollywog and H. L. Knisely, North British, to croaker. M. E. Butler, farm special agent North America, was made bouncer. Mr. Hershe has recently been transferred to the Hutchinson office, but retains his membership in the Sunflower puddle.

The Blue Goose auxiliary of the Sunflower puddle held its monthly luncheon-bridge in Wichita with Mrs. George L. Steeples as chairman, assisted by Mrs. George Landers, Mrs. Fred May and Mrs. J. W. Klinkenburg. Mrs. W. R. Mills and Mrs. W. B. Hershe were guests of honor, as their husbands are leaving Wichita.

### Gregory Succeeds Hughes

Succeeding Thomas D. Hughes, state agent America Fore in Florida, who has been called to the New York office, E. B. Gregory is transferred from the Atlanta office. Ed. S. Hitch, also a state agent in Florida, has been given six months leave of absence on account of sickness, and is under observation in New York. The Florida Blue Goose is giving Mr. Hughes a farewell dinner in Tampa Thursday evening. Although still a young man, he is a veteran in

field work. He dropped out during the Florida boom in 1924-25, to become an agent at Tarpon Springs, Fla., but became a special again shortly after the boom folded up.

### Vernor Is Denver Speaker

DENVER—Speaking at the monthly meeting of the Mountain Field Club, R. E. Vernor, Western Actuarial Bureau of Chicago, urged the importance of fire prevention work as an "extra-curricular" activity carried on for the purposes of building good-will and reducing losses rather than as a sales promotional proposition. He said fire prevention work has helped definitely in reducing losses by encouraging better construction and providing for better training of fire fighters. Three new members were introduced: Ralph Swearingen and James Hamill, the Daily General Agency, and Harley Miller, Phoenix of Hartford. Attendance was the largest this year.

### Harris Succeeds Gardner

DENVER—J. M. Harris, for 15 years with the North America, now state agent in the mountain field and formerly in Kansas and Oklahoma for that company has been appointed to succeed Nicholas Gardner as state agent here of the London & Lancashire fleet. Mr. Gardner, who has held this position for 30 years, has been retired on a pension. Bruce Bridford has become state agent of the North America in mountain territory. He formerly had headquarters at Cleveland, traveling in Ohio.

### Colorado Pond's Dinner Dance

DENVER—More than 40 couples attended the first of a series of dinner dances of the Colorado Blue Goose Saturday night.

### Missouri Steering Committee

A special steering committee to handle the Business Development and education program in Missouri was named by the Missouri Fire Underwriters at its meeting in Jefferson City. Heretofore the job has been handled by the executive committee, which gave it too much to do. The committee consists

of C. H. Mahn, Springfield, St. Louis, chairman; Thomas Kingsley, Jr., Travelers, St. Louis; Bailey Turner, North America, St. Louis; Firman White, Royal Exchange; W. O. Woodsmall, Fire Association, and R. O. Beistle, National Fire, all of Kansas City.

This committee will meet with the chairmen of the various zones at Jefferson City Nov. 22 to perfect the BDO organization and plan meetings, which will start after January 1.

### Iowa Blue Gose Meets

DES MOINES—At the Iowa Blue Goose luncheon Monday Dr. T. G. Mehlin, professor of astronomy at Drake university was the speaker.

A. E. Holm, Aetna Fire, made his first appearance since his recent illness and won the "Jack Pot" in the weekly drawing.

About 65 members of the Iowa pond attended the duck dinner at Waterloo. H. Verne Myers, state agent for Security of New Haven, sponsored the affair.

### Inspections Are Scheduled

The Illinois Fire Prevention Association will inspect Joliet Nov. 29. J. Burr Taylor, Western Actuarial Bureau, Chicago, will be the principal speaker at a luncheon. Mr. Taylor will also speak at a luncheon in connection with the inspection of Iowa Falls by the Iowa Fire Prevention Association Nov. 17.

The Kentucky Fire Prevention Association will inspect Fulton, Nov. 17.

### Hill Sent to Florida

L. L. Hill has been appointed by the Royal-Liverpool groups Florida special agent under State Agent T. D. Lippitt. He goes from the home office.

### Meier Still in Hospital

W. F. Meier of Decatur, Ill., special agent Employers Fire, who was severely injured in an automobile accident near Mount Vernon, Ill., is still in the hospital. It is hoped that he will be able to get out in 10 days or so.

### Hear Talk on Hurricane Losses

NEWARK — "Hurricane Losses" were discussed at a luncheon meeting of the New Jersey Special Agents Association by Roy Bachman, executive

supervisor Fire Companies Adjustment Bureau. N. B. Bassett, comptroller of that bureau, gave an illustrated talk on "Apportionment." The executive committee held a brief business meeting before the luncheon.

### Speakers Group Meets

COLUMBUS, O. — At the meeting of the Stock Fire Insurance Speakers Association J. F. Lisey, Jr., Home, spoke on "Betterments and Improvements" and H. J. Murphy, U. S. Fire, "Active Mutual Groups," and Rolf Rosenlund, Home, on "Fire Prevention Talks to Grade School Pupils."

### Kansas Thanksgiving Party

The Thanksgiving party of the Kansas Blue Goose scheduled for the night of Nov. 14 in Topeka is expected to attract a large attendance, 30 or more from the Sunflower puddle at Wichita and a good representation from Kansas City having made advance reservations.

## COMPANIES

### Pacific National Buys Buildings

SAN FRANCISCO—The Pacific National Fire has purchased two buildings at Montgomery and Sacramento streets, two blocks from the present home office. The buildings will be remodeled and modernized for home office use. The changes will take several months to complete. One of the buildings is a former bank structure of heroic architecture. The adjoining building will be connected and redesigned to match.

### Rhode Island's Amendments

The stockholders of the Rhode Island are called to meet Nov. 16 to vote on the recommendation of the directors for approval of two amendments to the charter. These were authorized by the legislature in January of this year. One permits the writing of any risk which may lawfully be the subject of liability, casualty, accident, health, burglary, fidelity, indemnity or surety business. President B. S. Watson explains that many fire companies incorporated in states other than Rhode Island but licensed in that state can write these types of insurance. Therefore, the directors concluded that the company for its own interest should have similar powers. However, no change in the present plan of operation is contemplated at this moment.

### Rossia's Statement

The Rossia, as of Sept. 1, shows assets \$5,222,034, capital \$1,500,000, net surplus \$934,591. The Rossia has cash \$879,535, federal bonds \$1,187,625, other bonds \$743,983, stocks \$1,425,821. The surplus has gained \$200,000 since the first of the year.

### N. J. Manufacturers Dividends

The New Jersey Manufacturers Association Fire has declared a regular dividend of 20 percent, an extra dividend of 5 percent and a special extra dividend of 5 percent on net premiums written between Jan. 1 and March 31 of this year.

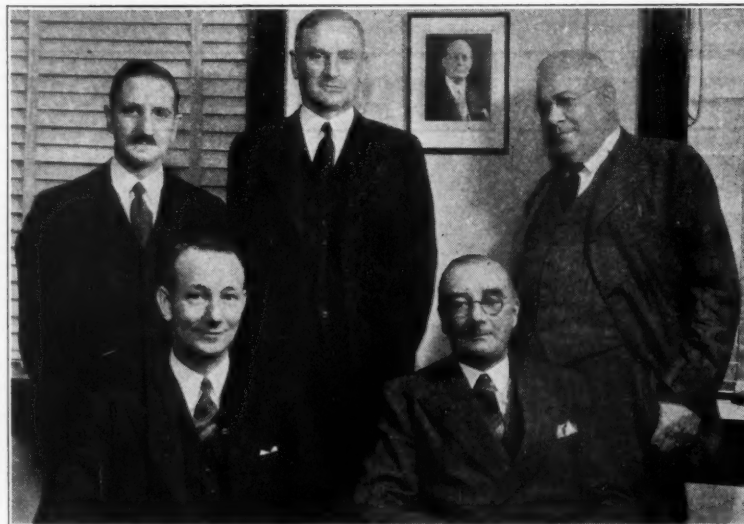
### Hubbard Made a Director

Fred A. Hubbard, president of the Hanover Fire, has been elected a director and member of the finance committee of the Rossia.

### Headquarters Hotel Filled

Commissioner Pew of Des Moines states that all available space in the Hotel Fort Des Moines has been reserved for those that will attend the National Association of Insurance Commissioners convention, Dec. 5-7. That is the official headquarters. He advises, therefore, those that have not secured their reservations to write directly to the Hotel Kirkwood or Hotel Savary.

## London & Lancashire Conference



During the visit of the London & Lancashire officials to Chicago, a photograph of the group was taken. Front row, left to right, sitting, Gilbert Kingan, Hartford, United States manager; A. S. Rogers, London, general manager; standing, left to right, F. J. Gobbie, vice-president London & Lancashire Indemnity, Hartford; William W. Gilmore, San Francisco, manager Pacific Coast branch; C. Claussen of Chicago, manager western department.

In the background on the wall is a photo of Sir Frederick Pascoe Rutter, governor at the home office of the London & Lancashire.



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The Girard Fire & Marine Insurance Company  
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The Concordia Fire Insurance Co. of Milwaukee  
Milwaukee Mechanics' Insurance Company  
Pittsburgh Underwriters • Keystone Underwriters  
The Metropolitan Casualty Insurance Co. of N. Y.  
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Canadian Dept.  
461 Bay St.  
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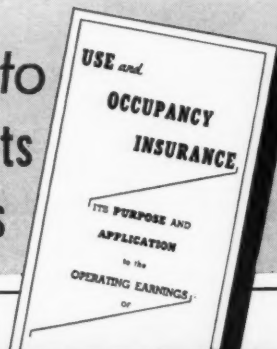
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ITS PURPOSE AND APPLICATION TO BUSINESS EARNINGS

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★ Copies may be obtained without obligation by addressing this Company, your own agent, or any Insurance Broker.



★ Inquiries regarding Use and Occupancy Insurance are invited and will receive prompt and, if desired, personal attention.

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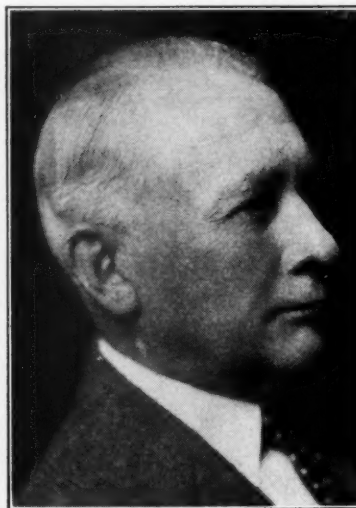
Affiliated Companies:

LUMBERMEN'S INSURANCE COMPANY  
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PHILADELPHIA NATIONAL INSURANCE COMPANY

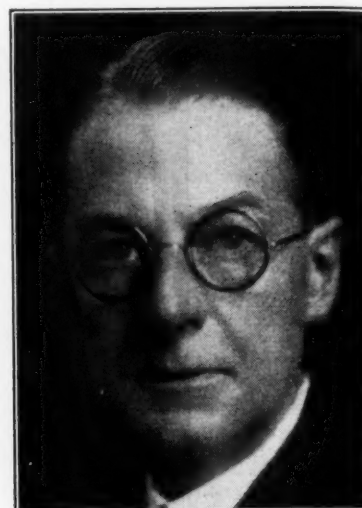
HEAD OFFICES: 401 Walnut Street, Philadelphia

OLD LINE STOCK FIRE, MARINE AND AUTOMOBILE INSURANCE

## TRIBUTE PAID TO MARINE MEN



DOUGLAS F. COX



HARRY E. MANEE

NEW YORK — Douglas F. Cox, president, and Harry E. Manee, senior vice-president of Appleton & Cox, well-known marine insurance office, celebrated 50 years of service with the organization at a testimonial dinner given to them by the directors and staff. Over 300 were in attendance to honor the two executives.

Mr. Cox was born in New York City Jan. 28, 1867. He attended private school in Morristown, N. J., and later Columbia University. He has one son, Douglas F. Cox, Jr.

### Active in Organizations

Mr. Cox received his early training with Johnson & Higgins, and in 1889 became associated with Higgins & Cox, predecessor company of Appleton & Cox. Since 1920 he has served as president. He is also a director of the Westchester Fire and the North River. He is a member of the National Board of Marine Underwriters, serving as its

president from 1912 to 1915; the Board of Underwriters (Marine) of New York, of which he was president in 1926 and 1927 and the National Automobile Underwriters Conference, serving as president of that organization from 1916 to 1918.

Mr. Manee, born in Tottenville, Staten Island, in 1871, attended Bayview Academy in Tottenville, and Packard's Business College. On Nov. 12, 1888, he entered the employ of Higgins & Cox. In 1903, he established the marine agency in the office of Mehle & Kausler in New Orleans, which is still operating under the name of George S. Kausler, Ltd.

Returning to New York after three years, he resumed his underwriting activities and was later elected executive vice-president. Because of his wide knowledge of world conditions, commodities and trade, Mr. Manee is looked upon as the dean of marine underwriters.

## Extent of Damage Done by Hurricane of September 21

NEW YORK — The damage suffered by plants insured in the Factory Mutuals as a result of the hurricane that swept the north Atlantic coast Sep. 21, according to the organ of the associated companies, will be close to \$4,000,000. To quote from the record: "Many of these plants suffered wind damage of from only a few hundred to a few thousand dollars. At 84 plants the estimated damage was over \$10,000 and at nine the damage exceeded \$100,000; the largest loss being estimated at \$250,000. The total loss on more than 900 plants is estimated at about \$3,920,000. These wind losses are all covered by Factory Mutual policies, but the total loss to our companies will be much reduced by the ample reinsurance they carry, and no changes are contemplated in the rate of returns made by the companies."

Based on estimates as of Oct. 20 the wind damage losses in excess of \$10,000 each are: New London, Westerly and nearby coast towns in Connecticut and Rhode Island, six, with an average loss of \$80,000; Norwich, Conn., eight, average loss \$35,000; eastern Connecticut, except as above, 13, average loss \$40,000; central Massachusetts, 17, average loss, \$40,000; Providence, northern Rhode Island and Narragansett Bay area, 28, average loss \$30,000; Connecticut River valley, in Connecticut, four, average loss \$25,000; eastern Massachusetts, six, average loss \$20,000;

Keene and Nashua, N. H., two, average loss \$20,000. Estimated total of remaining smaller losses \$700,000. The amounts given, it is pointed out, will be "slightly increased by some use and occupancy losses." A week following the hurricane fire destroyed the four-story Seule mill in New Bedford, Mass., insurance on which was also carried by the Factory Mutuals. What the loss will prove to be has not been determined.

### Inselman Joins Fire Association

The Fire Association announces that George I. Inselman has joined the head office staff of the marine department. He has been attached to the New York branch of the British & Foreign Marine since 1916. For some years he was head of the claims department of the British & Foreign Marine and the American Foreign Marine and since 1930 has been in their underwriting department. He was successively assistant secretary and secretary of these companies and subsequently assistant underwriter of the British & Foreign and a director and vice-president of the American & Foreign. Mr. Inselman is a member of the Average Adjusters Association of the United States, was chairman of the adjustment committee of the New York Board of Underwriters and has served on various other important committees. He assumes his new duties at Philadelphia immediately.

Gus Selberling, 84, formerly president of the Ohio Mutual Cyclone for 38 years and secretary of the Norton Mutual Fire for 50 years, died at his home in Barberton, O.



## NEW YORK

### SWEDISH OFFICIALS HERE

Mac Hall, vice-director, and Bertil Yahnberg, agency superintendent, of the Forsakrings Aktiebolaget Fylgia of Stockholm, are in the United States studying agency and production methods and management policies of American insurance companies. They visited the home office of the Fidelity & Casualty and then went to Philadelphia to study branch office operations. The Fylgia writes fire, inland marine and casualty lines in Sweden only, and operates exclusively on the agency system. Among the interesting facts mentioned by them is that in Sweden the number of agents a company may have is limited by law according to the volume of business. Automobile liability insurance is compulsory in Sweden and a plan similar to the safe driver reward has been in force for 20 years, with satisfaction to all. Reductions for each successive year of claim-free operation are 10 percent, 20 percent, 40 percent and 50 percent maximum. Experience has been good and there is now a movement on foot to increase the maximum reduction. If an assured has an accident, he is dropped to the next class. If he renews his insurance with a different company, he is dropped two classes. The Fylgia is a stock company, although a number of Swedish carriers are organized as cooperatives.

### CHARLES E. BLACK PROMOTED

The Royal-Liverpool groups announced the appointment of Charles E. Black as central adjuster, in full charge of the head office loss department at 150 William street, New York City. He first became associated with the office Sept. 1, 1913, when, upon graduation from the Orleans high school, he was employed by the New Orleans branch of the Liverpool & London & Globe. He was appointed special agent in Louisiana territory on Jan. 1, 1923, and two years later became superintendent of the loss department of the L. & L. & G.'s New Orleans office. On Aug. 1, 1927, Mr. Black was transferred from New Orleans to the New York office as an examiner and on June 1, 1932, was appointed loss department superintendent.

### SUBURBAN FIELD CLUB PARTY

The Suburban New York Field Club will celebrate its 20th anniversary with a banquet at the Hotel Biltmore, New York City, Nov. 16. Superintendent Pink of New York will be a guest of honor. J. V. Herd, vice-president Fire Association, will be a speaker. S. H. Richardson is president and will be the toastmaster. Members will invite their company executives as special guests. Some of these traveled in the suburban field.

### FIRE EXAMINERS TO MEET

The Fire Insurance Examiners Association of New York City will hold its next meeting Nov. 15, at Miller's Restaurant, 144 Fulton street. The speaker will be C. D. Sheffe, assistant manager London Assurance.

### SAMMONS BACK FROM TRIP

F. Elmer Sammons, vice-president and secretary of the Hanover Fire, has returned to New York City after a swing among agents in the south and southwest.

### FORMER PATROL MAN DIES

W. C. Metcalf, retired secretary New York fire patrol, died at his summer home in Rutland, Vt.

### Mariners See Navy Film

The Mariners of Chicago, marine underwriters club, met to see a movie, "Join the Navy and See the World," shown by Petty Officer Crawford of the U. S. navy. P. J. Leen, midwestern

marine superintendent Fireman's Fund, skipper of the club, presided. Names of 15 prospective members were submitted and plans discussed for the annual dinner-dance to be held in January.

### Minnesota Mutuals' Meeting

The annual meeting of the Minnesota Association of Mutual Insurance Companies will be a luncheon meeting at the Curtis Hotel, Minneapolis, Nov. 17. Present officers are: President, S. T.

Sager, Austin Mutual, Minneapolis; vice-president, H. L. Hjermstad, Citizens Fund, Red Wing, Minn., and secretary-treasurer, A. J. Dahlstrom, Minneapolis.

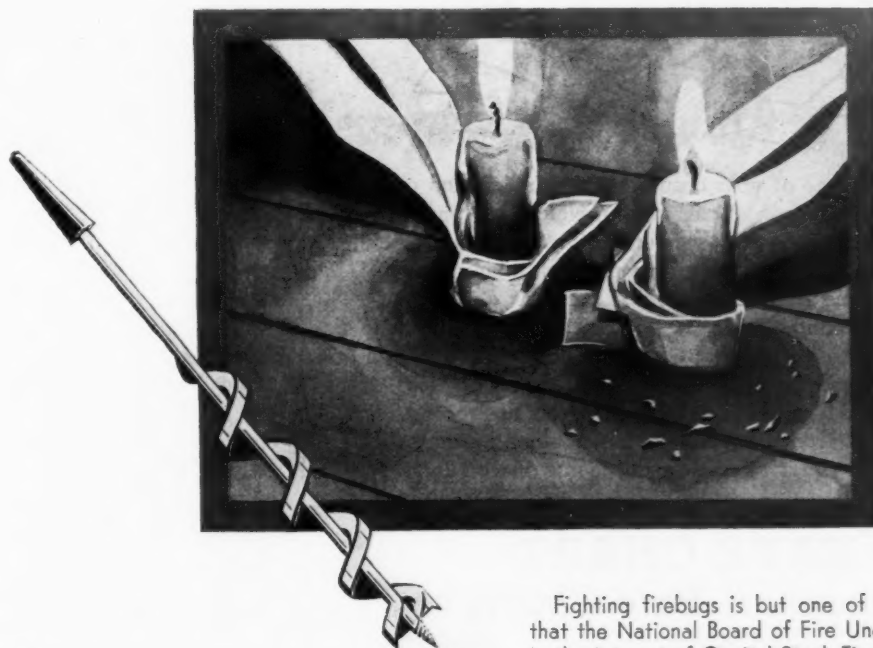
### Would Write Direct in Michigan

LANSING, MICH.—Due, it is reported, to reduced business in the finance company field, the Motor Indemnity Association, South Bend, Ind., reciprocal, is seeking to have its license

broadened by the Michigan department to permit licensing of agents writing a direct business. It has been limited in this state to business developed by the automobile finance company operated by the same interests.

Randle Hanks and H. E. Downing have formed the Hanks & Downing agency, Wichita Falls, Tex. Mr. Hanks was formerly a life insurance man in Wichita Falls and Mr. Downing was formerly with the Stacy Insurance Agency of Austin, Tex.

## The markings of a tool said "Guilty!"



A financially-embarassed citizen carefully planned to have his \$150,000 property in Massachusetts burn at a time when he would be in Florida. Streamers of waxed paper were arranged to lead to pails of alcohol from two large lighted candles held erect by 1-inch holes bored in the floor. A strange flicker of light was reported to the police just in time to nip the fire. Circumstances pointed to the owner, but how to prove his guilt? Among his tools, which he had shipped away, was found a 1-inch bit. Analysis showed that wood chips still in the tool were of the same type wood as the flooring . . . and the microscopic markings of the bit matched those of the holes!

Fighting firebugs is but one of the many ways that the National Board of Fire Underwriters works in the interest of Capital Stock Fire Insurance companies. Another of these ways is the present national advertising campaign, appearing in well known publications, to let the public know first hand the advantages of buying ONLY Capital Stock Insurance.

Cooperate with the National Board in every way. Boost Capital Stock Insurance wherever you can. Your effort will be rewarded with greater business and greater profits.



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## AS SEEN FROM CHICAGO

### BOUTERSE TO ENGELHARD & CO.

Clarence T. Bouterse, vice-president of the R. B. Jones & Co. Chicago office, has resigned to go with Engelhard & Co. of Chicago to promote Lloyds cover. The agency is entering the Lloyds field actively to assist brokers in securing Lloyds business. Mr. Bouterse will devote his full time to this service. He has been connected with Jones & Co. about a year, formerly for two years he was with Jones & Whitlock in Chicago and has had 19 years' insurance experience. For four years he has devoted most of his time to Lloyds business. Cameron Brown, formerly of Schiff-Terhune & Co., succeeds Mr. Bouterse in charge of Jones & Co. Lloyds business in Chicago.

### JAMES HANNING RECOVERS

James Hanning, vice-president of John Naghten & Co., Chicago agents, who has been critically ill for some weeks, is now able to get down to the office for a short time two or three days during the week.

### BLACK HEADS FIELD CLUB

R. A. Black, Northern of London, was elected president of the Cook County Field Club at its meeting this week. The retiring president is William Uruba, London & Lancashire. W. T. Jenkins, Fireman's Fund, was chosen vice-president and E. F. Fromm, Critchell, Miller, Whitney & Barbour, reelected secretary-treasurer. The executive committee elected for a two-year term, consists of President Uruba, C. I. Richardson, Marsh & McLennan; J. F. Foehringer, Agricultural; A. L. Corey, Travelers Fire, and C. T. Hoskinson, Home.

### DEATH OF B. T. WOLLAM

Benton T. Wollam, associate manager of the Chicago office of the Phoenix of Hartford died Thursday evening of last week. He was 61 years of age and was born in Cincinnati. In his early youth he became connected with the western department of the Phoenix when it was located there and subsequently moved to Chicago. He had been with the company 47 years. A week before his death he suffered an attack of coronary thrombosis and was taken to Michael Reese Hospital. He had been associate manager in the Chicago office for nearly 13 years. Funeral services were held Monday afternoon.

### INSURANCE GROUP MEETING

The insurance group of the Chicago Association of Credit Men was well represented at the annual trade division banquet. Guest of the evening was Chief Shorty Smudge, "Charlie McCarthy" to R. E. Vernor of the Western Actuarial Bureau. Competitive table decorations between the 28 trade divisions were the occasion for the chief's presence.

Insurance groups in credit men's associations are an innovation, as most of the insurance public relations work and service to credit men have been carried on by the insurance committees.

Among those present were Don C. Campbell, America Fore, Chicago, chairman of the national insurance group; Ambrose B. Kelly, American Mutual Alliance, vice-chairman; M. E. Peterson, Springfield Fire & Marine; John Starrett of the Home.

### WALBERG LEAVES ADAMS-CLARK

John A. Walberg, formerly vice-president Adams-Clark Agency, Chicago, has resigned. His future plans are undecided but he intends to remain in the fire insurance business. He has had 25 years experience in both local agency work and as a personal producer.

### TWO HARTFORDS EXHIBIT

The automobile show starting in Chicago, Nov. 12, and ending Nov. 19, will again find a booth installed by the Hartford Fire and Hartford Accident & In-

demnity. The installation and operation are under the supervision of J. W. Burden, manager of the automobile and inland marine department in the western office of the Hartford Fire, and R. E. Baker, office manager of the Hartford Accident & Indemnity.

With a background of an early southern colonial mansion and southern semi-tropical vegetation, a floor show beginning with early modes of transportation in the United States, with the progressive stages down to the current season will be given every day. These methods of transportation will pass in review before the southern colonial mansion. The booth will contain beautiful twins dressed in southern colonial hoopskirt evening gowns to act as hostesses.

All visitors will be presented with an envelope containing in addition to very appropriate literature on automobile insurance, an opportunity to secure an auto key chain with leather key case free. This key chain will hold two or three keys and keys not in use may be slipped into the convenient pocket of the leather tag. On the front of this leather tag, there is a window partition for an identification card.

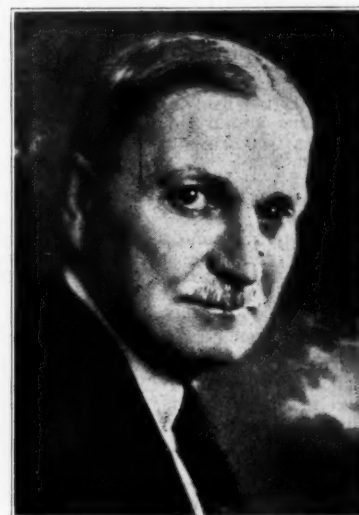
The new, gold chevron reward card to be featured in the "Saturday Evening Post" advertising of Nov. 7 will have a prominent display.

The "two Hartfords" will again present to the public their unusual arrangement with the Western Union whereby any Hartford policyholder may step to the nearest telephone and by calling the local Western Union office obtain the name of the nearest Hartford agent. This story will be visualized by means of a jumbo telephone and a Western Union teletype machine. The company's color scheme of blue and silver will be used throughout.

### Brooklyn Agents Meet Nov. 15

Brooklyn agents will meet Nov. 15 to determine their attitude toward the latest agreement of the New York Fire

## Managers' Night



CHARLES F. THOMAS

Secretary Charles F. Thomas of the Western Underwriters Association will address the Chicago Association of Fire Insurance Examiners the evening of Nov. 17. This is annual managers' night when it is the custom of members to invite their executives to the dinner. Mr. Thomas has appeared before the association before and out of the wealth of his experience was able to advance some sound gospel. In honor of Mr. Thomas a number from the managerial ranks will attend.

P. W. Freilich of Corroon & Reynolds, president of the examiners body, will preside at the meeting.



## Made President



JOHN K. WALKER

J. K. Walker of Moore, Case, Lyman & Hubbard, has been elected chairman of the Chicago Insurance Agents Association, Hamilton M. Loeb of Eliel & Loeb, vice-president; Bradford Gill of Gilbert & Gill, secretary; W. C. Oxnam, Goodman & Co., treasurer. The new directors are Allan I. Wolff, Associated Agencies; Lyman M. Drake, Critchell, Miller, Whitney & Barbour; T. L. Osborn, Osborn & Lange, and W. Herbert Stewart, Stewart, Keator, Kessberger & Lederer.

Insurance Exchange, which thus far they have refrained from signing.

### Des Moines Pioneer Dies

Joshua Jester, 94, founder of Jester & Sons, pioneer Des Moines agency, died there. He was active in business until he was past 90.

Mr. and Mrs. Albert B. Lemmon, Columbus, O., have announced the marriage of their daughter Mary Franke to Walter P. Dolle, Jr., Cincinnati, Nov. 12. Mr. Dolle is associated with his father in Walter P. Dolle & Co., a leading Cincinnati agency. He attended Colgate University, entering the agency shortly after his graduation four years ago.

## Iowa Mutuals Meet at Des Moines

DES MOINES — Attendance of nearly 500 is expected at the annual convention of the Iowa Association of Mutual Insurance Companies here Nov. 16-17. Headquarters will be Hotel Fort Des Moines. It will be preceded by meetings of the Iowa Mutual Tornado Insurance Association and Farmers Mutual Reinsurance Association.

A conference and agents meeting will start Nov. 15 at 1 p. m., with a review of tornado and windstorm business. A dinner will be held that night.

The annual meeting of the Farmers Mutual Association will start at 3:15 p. m., Nov. 15. A directors breakfast will open the main meeting Nov. 16, the general session following with President H. J. Rowe, Home Mutual, in the chair.

### National Greetings

Greetings will be extended from National Association of Mutual Insurance Companies by A. E. Anderson, Cottonwood, Minn., president. A. Kopperud, vice-president Federal Land Bank, Omaha, will give views of a lending agency. H. P. Cooper, secretary of the National association, Indianapolis, will

talk. "Watching the Problems of Farm Mutual Insurance Managements" will be the address of C. A. Norman, New Providence, Ia., "Some Legal Aspects of Cancellation by Other Than Registered Letter," H. H. Griffiths, Des Moines.

O. T. Wilson, Mt. Pleasant, Ia., will report as a delegate to the national association. A luncheon will be held with the state association as host for visiting ladies, and a business meeting of the ladies' auxiliary will follow.

### Other Talks Scheduled

Wednesday afternoon talks will be: "Mutual Insurance in the Competitive Field," by a member of the staff of the American Mutual Alliance, Chicago; "Inspection for Loss Prevention"; "Future of Automobile Insurance," H. W. Byers, Des Moines, attorney Iowa Mutual; "Iowa's Rural Fire Waste Problem," Prof. Henry Giese, agricultural engineering department Iowa State College, Ames; report of uniform standard policy committee, John Evans, Grinnell, chairman; report of rural electrification committee, W. C. Children, Council Bluffs, chairman; mutual insurance round table, led by J. L. Coon, Cedar Rapids.

Thursday morning there will be reports of committees, "The Policyholders' Interest," R. H. Fowler, Des

Moines; "Sleeping Sickness of Horses and Effect of the Electric Shock on the Animal Body," Dr. K. W. Stouder, agricultural extension service, Iowa State College; "Highway Safety," John Hattery, Iowa safety patrol; reports of committees, election and other business. Directors will meet immediately after adjournment of the general session.

## Uniform Statistical Manual Promulgated

The Illinois insurance department has sent out to all companies writing automobile insurance the uniform statistical plan that it has had under consideration to be put into effect Jan. 1. The department has had hearings and explained very carefully the object that it had in view. The hearings over the uniform statistical setup have been conducted by H. A. Miller, special deputy, an expert in automobile insurance. The department discovered that there was a sad lack of uniformity in keeping statistics. It desired a proper classification, the experience as to territory and as to makes of car. It is desired to have the same rule covering the same subject. It sought, therefore, to develop a uniform manual. It discovered that there were 108 varieties of keeping expe-

rience on automobile insurance by companies licensed in the state.

The new uniform statistical plan will apply to all forms of automobile insurance. The department emphasizes the fact that it is not seeking to have uniform rates. It has assured the companies that such was not its intention at all. The states that have uniform rates for all classes of companies are Louisiana, Texas, Virginia and New York.

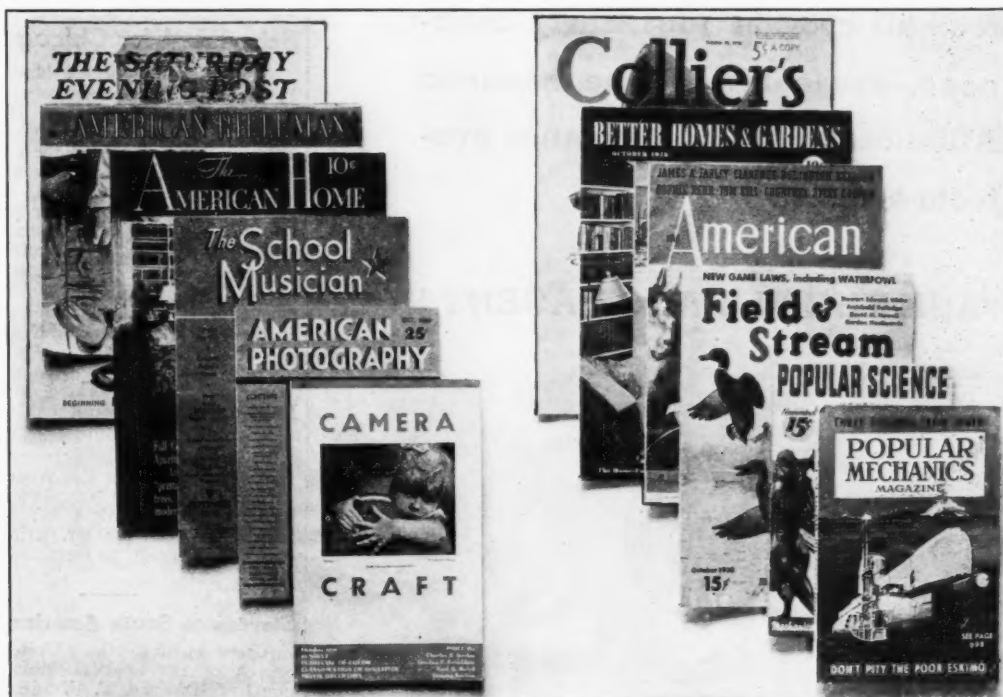
What the department is seeking is to get experience whereby it can decide whether rates filed are reasonable, non-discriminatory and fair. That is, each company in filing its rates must justify their logic and soundness.

### Moore Ends Coast Trip

J. Ross Moore, manager of the National Automobile Underwriters Association, has started back to New York after several days on the Pacific Coast. He spent about four days with the coast branch in San Francisco, conferring with Manager W. E. Schoppe on Pacific Coast problems.

The **Universal Agencies** is being formed in Toronto by G. S. Pearcy, Jr. T. A. Evans, 59, business director of Trevor A. Evans Company, died suddenly at his home in Montreal. Until ten years ago he was senior partner of Eshinart & Evans, resigning to form his own company.

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### Auto Finance Decree Not Expected to Affect Insurance

WASHINGTON, D. C.—The consent decree accepted by the government in its suit against the Ford and Chrysler motor companies, involving their methods of operation and advertising of finance companies owned by them, is seen as having no effect on the insurance operations of the finance companies, which were not specifically involved in the case.

In a Department of Justice explanation of the settlement, however, the threat was voiced of federal control of advertising of companies dominant in their respective fields, on the ground that advertising gives such companies a monopolistic advantage over competitors. Revision of the anti-trust laws to provide for such control will be sought from Congress, it was indicated.

Under the decree, the two companies will not advertise their own finance companies by name unless naming also all other competing finance companies.

"The purpose of the anti-trust laws will be furthered if advertising is limited to its proper function of building up consumption, and if restrictions are placed against its use for the purpose of giving a monopoly advantage to the competitor with the largest pocket-book," it was declared.

"Monopoly is fostered when advertising is used to put competitors at a disadvantage for the sole reason that they do not have resources sufficient to expend equally large sums in advertising particular products or the services of particular companies."

### Fire Protection Meetings Scheduled for Chicago

At the meeting of the National Fire Protection Association committee on farm fire protection at the Hotel Stevens, Chicago, Nov. 29, Chairman D. J. Price states that the members will consider the N. F. P. A. standard for rural fire departments and various other important matters in rural fire protection. On Nov. 28, the fire marshals section will hold a conference of middle western fire marshals who will be in Chicago at that time. On Nov. 30 will be a meeting of the agricultural committee of the fire waste council, U. S. Chamber of Commerce.

### Reid on Pacific Coast

LOS ANGELES—President A. Duncan Reid of the Globe Indemnity and Mrs. Reid arrived in Los Angeles Monday and spent the entire week here. Resident Vice-president W. D. Pierce gave a luncheon for Mr. Reid, inviting a score of friends to meet the guest of honor.

### Stevens to South America

After visiting the United States branch of the Scottish Union & National in Hartford, T. E. Stevens, home office general manager, sailed from New York for South America Nov. 5, to survey underwriting conditions there.

### Heart of America Dinner Dance

The Heart of America Blue Goose will hold a dinner dance at Excelsior Springs Nov. 26. About 60 couples are expected to attend. F. D. Hawkins, Western Adjustment, is in charge of arrangements.

### FIRE UNDERWRITER

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### Policy Simplification Asked by Officials

MILWAUKEE—Insurance is one of the largest businesses in Wisconsin, if not the largest, in point of employment, volume, etc., Commissioner Mortensen told the Insurance Women of Milwaukee at a meeting here. Miss Gertrude Franzen, president, was chairman of the dinner-meeting. G. H. Hannan, superintendent of audits, Fire Insurance Rating Bureau, also was a speaker.

Insurance is a public matter and requires regulation and supervision, Mr. Mortensen said. Wisconsin is a pioneer in developing an insurance department, which is equipped with experienced, capable personnel, under civil service and free from political influence. Since 1878 the department has operated independent of other divisions, he said. In 1878 it operated on a \$91,000 budget with eight Wisconsin and 75 foreign companies licensed. The regular present budget is \$75,000, although the number of companies has grown to 285 Wisconsin and 547 foreign, and duties have increased 250 to 300 percent. The department still employs about the same number of people.

### Comments on Tax Diversion

"Originally the taxes on insurance companies were intended to provide funds to pay for the operations of the insurance department. Ninety-six cents of every \$1 collected goes to the general treasury for general expenses of the state."

Less complexity in the standard fire policy was urged by Mr. Mortensen. He visioned eventually a comprehensive policy covering all property damage. Inland marine must either be regulated or all regulatory laws repealed, he maintained.

Mr. Hannan gave a brief history of fire insurance. His office, he said, handles 800,000 daily reports a year. About 47 percent of all policies handled have endorsements, and about 100,000 policies annually are canceled. He said there are too many endorsements, and he asked why so many provisions are printed on policies if they are altered or eliminated by endorsements.

The Milwaukee club was formed this fall, composed of women associates with or employed in fire and casualty offices and companies here. Initial membership of 71 has been swelled to 106, and it has been decided to hold charter membership open until Jan. 1.

### C. H. Tiedemann to Sun Head office

C. H. Tiedemann of Providence, R. I., has been appointed assistant secretary of the Sun of England group at its head office in New York. He joined the Sun in 1924 and since that time has been in charge of New England territory as state agent. He will assume various executive duties, but will continue to handle production work particularly in New England.

### Change in Richmond Agency

RICHMOND, VA.—Craig, Miller & Co., agents here have changed the name to Miller & Greathead, and will move its office to 200 N. 5th street, where much larger offices have been obtained.

The old agency has been operated under the name of Craig Miller & Co. for five years. Robert N. Greathead, Jr. joined the agency with Craig Miller as a full partner. Its principal company is the Pearl Assurance.

Mr. Greathead has had extensive experience in the insurance business, having been formerly an engineer with the Southeastern Underwriters Association, and for the past eight years engineer for Marsh & McLennan in Virginia, West Virginia, North Carolina and the District of Columbia.

Carl Caldwell has opened an agency at 15 West Market street, Troy, O.

## Prof. Blanchard for Qualification Laws and All-Risk Covers

(CONTINUED FROM PAGE 4)

acter in the agency force. They should in no case be directed merely toward restricting the business to a favored group.

"Insurance is a business. I see nothing to be gained by calling it a profession, but likewise I see every reason why the insurance business should work toward what are generally considered to be professional standards. Once the public is able to feel that the designation of insurance agent implies a knowledge of insurance and competence to deal with its risk problems, your tasks will be considerably simplified and the public better served. You will be able to devote more time to real service and less to mere salesmanship, but remember that resolutions and new provisions in the insurance laws are only a vehicle for accomplishing these ends. The means they provide must be followed through by all the interested parties.

### Comprehensive Contract

"Another possibility for constructive work is the development of a simplified, comprehensive contract. The present necessity of buying a trunkful of contracts from various classes of insurance carriers in order to get reasonably adequate coverage for a business is a challenge to insurance. I look forward to the time, and I believe it is coming, when artificial walls between carriers will be broken down, and when the listing of hazards covered by property insurance contracts will be obsolete.

"The division of the insurance business into major and minor compartments, with rigid and apparently sound-proof walls, is unfortunate. It produces certain ludicrous results, particularly from the point of view of the insured. If I desire to insure my car against accidental damage, I buy a contract covering against all causes of loss. My personal effects, limited to those ordinarily carried in traveling, may likewise be insured against all causes of loss, except in my own home. My house may be insured against a variety of causes listed in the contract, but I bear the losses from any cause not listed. Some companies may write all-risk insurance on some types of property. Others may not write all-risk insurance on anything.

"You have had the recent spectacle in New England of insureds recovering losses on their cars, but not on their garages, when the losses arose from the same hazard, at the same location. In some cases they could have insured their houses against windstorm. In others, where the loss was by flood or tidal wave, there was no insurance available. I can see no good reason why carriers, other than life, should not be permitted to write all forms of insurance which are not contrary to public policy, nor why they should not write all-risk coverage on all types of property.

"Such developments are opposed because they involve realignments and are disturbing. These are not, to my mind, good reasons. I predict that these developments will come, and I suggest that the agents, on behalf of their insureds, would do themselves a good turn by pressing for complete, logical and satisfying coverage. If you do not do it, others will. Some insured will be unwilling to pay for adequate coverage—in that case it would be a simple matter to eliminate hazards by endorsement, and the whole story would appear on the contract. The insured would not be left uncovered merely by omission, and he would be responsible for the eliminations."

## New Member



DAVID A. NORTH

David A. North of New Haven, Conn., who was appointed a member of the executive committee of the National Association of Insurance Agents, is a native of that city. His grandfather, the late John C. North, was president of the National Association of Insurance Agents, being elected in 1903. He was one of the founders of the Connecticut association and was its first president in 1899. The North Insurance Agency, of which David A. is a partner, was established in 1843. His father, J. R. North, was secretary of the Connecticut association. His uncle, Donald C. North, who is head of the agency, was a member of the executive committee of the National association for three years. Mr. North was at the head office of the Hartford Fire for a couple of years, but since 1926 has been connected with the North agency. He served last year as chairman of the National association's accident prevention committee.

### Use and Occupancy Means Only Earnings Protected

(CONTINUED FROM PAGE 4)

the extent that they would have been earned, then isn't it really all earnings that are covered? What a silly, indefensible idea it is, he said, to take, say, \$1 of earnings and designate as "net profits" a portion of that dollar and designate as "fixed expenses" the balance as though that \$1 of earnings were two different entities.

He predicts that eventually there will be forms that go straight to the point, hit the nail on the head and protect the earnings, clearly defined, just as words "building," "machinery," or "fixtures" in policies covering physical property are defined.

### Always Talks Earnings

Mr. Foster said that the most outstanding broker of his acquaintance, so far as use and occupancy is concerned, never talks U&O to his clients, but talks earnings instead. If an agent will let the idea of earnings insurance burn into his soul, talk it and sell it he will find that he has won half the battle.

Mr. Foster reiterated again and again that use and occupancy insurance is earnings and nothing but earnings. Properly explained, he said, this class offers to agents the best opportunity to augment their premiums, which, of course, mean commissions. It is not nearly as complicated as some have thought, he said. Have in mind, he asserted, always that use and occupancy is designed to do for the policy holder during interruption of business due to fire exactly what his business would have done for him had no fire occurred, no more and no less.

## If it's Complete Coverage

As you know, over 40% of the local agent's income today is—or should be—from the so-called "sidelines." Fire insurance is the foundation stone on which the business was built and still operates, but recent years have brought to the fore such equally important property insurance classes as use and occupancy, tornado, motor vehicle, inland navigation and transportation, explosion, riot and civil commotion, rent, sprinkler leakage. Even a fully adequate line of fire insurance may prove inadequate, if one of these other hazards strikes the property of your client. You may, as our local agents do, provide all these coverages with the one company, for we write them all—offering your clients our 144 years of experience for this complete coverage as well as for fire insurance.



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## EDITORIAL COMMENT

### An Agent Can Justify His Commission

A CASUALTY company executive in making some observations to THE NATIONAL UNDERWRITER maintains that much injury has been done the agency cause by the attempt at mystery over the amount of commissions received. The tendency is, he avers, for the producer to try to keep in the dark what he gets out of the transaction. The non-agency companies make the point that they can sell insurance much more cheaply because they do not have this acquisition cost. Then the question arises in the mind of the insurance purchaser as to what percentage the agent or broker really receives.

In the opinion of this executive the producer can well justify his compensation. He would have in every insurance sale the salesman frankly tell the policyholder what he does get out of it and why. A very good build up argument can best be made

by the producer showing why the service of an agent is well worth the price he pays. If an assured is able to place his insurance intelligently, handle all the details, look after his claims, etc., he needs no agent. However, in time of emergency when a policyholder is greatly disturbed in mind and wants a friend at court the percentage that the agent receives is very small in comparison with the service rendered. The policyholder should realize that he has at his beck and call day and night the insurance salesman who will handle all his demands. He is his friend at court. He is dealing with some one in his community. His influence with his company is far greater than that of the policyholder. Any sort of policy is good enough until a claim arises. An agent is the expert who watches an assured's insurance needs and who helps him when he needs assistance.

### Need to Watch the Agency Turnover

A COMPANY executive in commenting on field work says that the most important factor for a special agent to consider is the agency turnover. In every state there is a constant change. There are agencies that have become static. Others are dying at the heart. There are others that are retrograding. Some have become careless and the results of the year reflect lassitude and indifference. Others are incompetent or have no underwriting judgment and they are unprofitable. Some do not produce enough income to warrant the expense of continuance and a visit.

These and other conditions affect a company's premium income and profit very materially. The field man who is not on his toes and keeping a careful watch over his agency plant from the

profit standpoint will discover in due season that his business will deteriorate. The field man who starts the invigoration and rebuilding process and keeps at it will witness a pleasing effect. There are fences all along the line that need rebuilding.

When the annual returns are assembled and analyzed, companies are impressed with the improvement that is shown where a field man is injecting new blood into the agency plant and is strengthening his position here and there where it is weak. This rebuilding process, this constant watchfulness to improve a condition and eliminate the unprofitable or decaying agencies has a marked effect. It is a duty that is paramount from the standpoint of a special agent.

### Purpose of Insurance Is Given

COMMISSIONER BLACKALL of Connecticut in an address before the CONNECTICUT ASSOCIATION OF INSURANCE AGENTS referred to the hurricane that struck the New England region and said that it demonstrates again the purpose for which insurance was founded. He added, "We never know at what hour

or under what circumstances the catastrophe will come but the past tells us that it is bound to come. It should be an effort of yours to familiarize yourself with the movements in the business that attempt to meet the needs of the day."

That certainly is good advice.

### Wide Opportunity for Insurance Salesmen

ALL of us realize that the insurance man is engaged in a business of great opportunity, possessing a wide outlook. Its territory might be said to be almost unlimited. While men in many lines are

confined to a rather narrow groove, selling one product or one product of the same nature, the insurance man has almost anyone who has responsibility, as a prospect. The physician is busy only when people

are ill. The attorney is called into line when there are difficulties or counsel is needed. The automobile agent can sell only to those who are able to pay for machines.

There are thousands and thousands of people that can pay for some form of insurance and who desire to be protected when they do not have a price for some

higher priced articles of merchandise. The insurance man has a wide field in which to roam. There are many chances for him to sell. It is his job to hunt a man that has the money to pay for protection and then see just what can be done in the particular case to show him the desirability of putting proper safeguards about him.

## PERSONAL SIDE OF THE BUSINESS

**T. J. McComb**, formerly insurance commissioner of Oklahoma, now an attorney and independent actuary, announces the formation of a new law partnership, McComb, Bullard & Howe, with offices in the Perrine building, Oklahoma City. The other partners are J. E. Bullard and Bob Howe.

Impressive tribute was paid to the late **Jay C. Wickler** at the funeral services Nov. 4, by the presence of more than 100 company executives and field men and fellow employees who attended the Masonic ceremonies in Oakland, Cal. Mr. Wickler, assistant manager of the Great American and Phoenix of Hartford groups, died in Prescott, Ariz., from a heart attack.

**Frank T. Priest** of the Dulaney, Johnston & Priest agency, Wichita, Kan., who suffered a breakdown three weeks ago, has been removed to his home from the hospital, but will not be permitted to have callers for some time and probably will not return to his desk for several weeks. Mr. Priest's recovery is reported to be very satisfactory so far, and with complete and adequate rest his physicians anticipate his complete recovery with no bad effects.

**W. M. Baldwin**, former director and chairman of the executive committee of the Monarch Fire, was buried in Cleveland this week. He died Saturday of a heart ailment. He was a former banker.

**Thomas Larke, Jr.**, well known San Francisco broker, and founder of the fire prevention committee junior chamber of commerce of that city, has been appointed chairman of the committee on disaster, preparedness and relief of San Francisco chapter of the American Red Cross. Mr. Larke is a member of the firm of Mitchell, Larke & Co. He organized the Phoenix Society at San Francisco five years ago which now has a membership of 27. Its purpose is to cooperate with fire department heads and to perpetuate fire department traditions.

**Patti Marie Stevens**, daughter of **Jay W. Stevens**, California state fire marshal, recently won a radio contest in a field of 650 contestants and as a result sang on the Magic Hour radio program with the San Francisco Opera Company.

**E. W. Dreher**, who was retired as assistant secretary of the State of Pennsylvania in March, 1936, after 43 years of consecutive active service, died Friday. He entered the insurance business in 1883, in the office of the Rhode Island Underwriters at Chicago, and from there went to Bloomington, Ill., as assistant

to the manager of the Central Illinois Compact office. He afterwards returned to Chicago and entered the employ of the Providence Washington and become special agent in 1886. In 1893 he went with the Spring Garden, which was merged with the State in 1911, as special agent for the whole middle west, and in 1895 was transferred to the home office where he remained until his retirement.

President **L. A. Mack** of the "Weekly Underwriter" gave a luncheon to his entire staff Monday, marking the 25th anniversary of his purchase of control of the publishing company. There were two special guests, V. P. Whitsitt, manager Association of Life Insurance Presidents, and Mott A. Brooks, assistant secretary of that body. Mr. Brooks was formerly managing editor of the "Weekly Underwriter."

**Ellsworth G. Smith**, head of the Smith & Smith Detroit agency, who is totally blind, appeared on a program of radio station WWJ with his Seeing-Eye dog "Tello," telling how the dog was trained to guide and guard him as he goes about the streets of the city.

**M. B. Breeding**, Oklahoma City, past president Oklahoma Association of Insurers, and his wife were injured in a motor car wreck when their car skidded near McLoud, Okla. Mr. Breeding sustained a slight concussion, but neither was seriously injured.

**P. L. Conquest, Jr.**, 56, agent in Richmond, Va., of the Davenport Insurance Corporation headed by W. Owen Wilson, former president of the National Association of Insurance Agents, was found dead in his home, victim of a heart attack. For seven years he had contributed a daily poem on current topics to the Richmond "News Leader." Several years ago he lost his sight but he continued to carry on his insurance work as well as the writing of verses for the newspaper.

**R. M. Thompson**, Minneapolis, executive secretary Minnesota Association of Insurance Agents, will lead a discussion on "Fraternity Relationships" at the University of North Dakota, Grand Forks, N. D., Nov. 12.

**Tarleton Brown**, 59, former publisher and editor of the "Western Insurance Review" of St. Louis, now the "Insurance Review," died Friday in Los Angeles of a heart ailment. He moved to that city four years ago on account of ill health but retained an interest in the publication, of which his brother, Ogden Brown, is the head. Mr. Brown was



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born in Raleigh, N. C., and became associated with his father, the late Garrett Brown, an insurance publisher. After some years experience in New Orleans with the old "Vindicator," the Browns went to Denver and established the "Insurance Report." Garrett Brown bought the "Western Insurance Review" in 1902. The burial was at Memphis, Tenn. There are two other brothers, Garrett Brown of El Monte, Cal., and Thomas Brown of New York City. There is a sister, Mrs. J. C. Spicer of Lincoln, Neb.

Clarence Axman of New York City, editor of the "Eastern Underwriter" was given an unusual tribute in honor of his 25th anniversary with that publication. He started Oct. 30, 1913. The "Eastern Underwriter" came out last week in two sections, the second being a silver cover issue of 112 pages devoted to personal tributes by companies and insurance men to Editor Axman. W. L. Hadley, vice-president of the "Eastern Underwriter," had the anniversary activities in charge. A dinner was given in Mr. Axman's honor by the members of the "Eastern Underwriter" staff and some intimate friends, Mr. Hadley presiding. Mr. Axman is one of the foremost insurance newspaper men of the country, a genius in many ways, who has a very wide acquaintance in all branches of the business.

Mrs. W. H. Lininger of Evanston, Ill., wife of the retired resident vice-president of the Springfield F. & M. group in the west, who is seriously ill at the Evanston Hospital, underwent a second operation last week and her condition is reported more favorable. Mr. and Mrs. Lininger live at 2327 Park Place in Evanston. Their two sons, Homer D., who operates "The Lodge in the Desert," near Tucson, Ariz., and Herbert K. of Oklahoma City, state agent of the Springfield F. & M., have

been on the scene since before the first operation was performed three weeks ago.

Carroll C. Keeton of Elmira, N. Y., on Wednesday celebrated the 40th anniversary of his entry into the agency business. In appreciation of the event he was the guest of officers of the companies represented by him at a dinner. The Keeton office is one of the most prominent as well as one of the oldest in Elmira, having been established in 1865.

Arthur Waller, who retired as United States manager of the Royal Exchange at the close of last year, was in New York Nov. 4 in attendance at a board meeting, as he continues a member. While he found the first six weeks of his retirement a period of unrest after 40 years active connection with the business, he has since accustomed himself to the new life and between spending the winter in Florida and the balance of the year traveling in the north, he manages to enjoy himself thoroughly.

#### "Ad" Conference Committees

BOSTON—Appointments to various committees of the Insurance Advertising Conference have been announced by President Ray C. Dreher, advertising manager of the Boston.

The merchandising research committee is headed by Ralph W. Bugli, London Assurance; frontier safety, Charles E. Crane, National Life of Vermont; membership, Jarvis Woolverton Mason, National Fire of Hartford; street and highway safety, Clark J. Fitzpatrick, United States Fidelity & Guaranty; life insurance week, Arthur H. Reddall, Equitable Society; cooperation with police authorities of New York City toward the reduction of death and accidents by automobile, A. H. Thiemann, New York Life.

## Minnesota Book Has Much Valuable Data

The Underwriters Hand-Book for Minnesota has come from the press of THE NATIONAL UNDERWRITER. It brings up to date the data on insurance in Minnesota and is a veritable mine of information for those interested in the subject.

Besides the regular information given about the agents in the state—name, members of the firm, address, other business transacted, if any, names of companies represented, date established, etc., all arranged alphabetically by towns—the book gives complete information on the companies operating in the state showing their officers, financial statements, field men and general agents, record of business for several years, lines written and other miscellaneous data such as names of insurance adjusters, attorneys, resume of the laws pertaining to insurance and lists of insurance organizations with officers and addresses.

#### Increase in Licenses

According to the compilers there has been quite an increase in the number of agents' licenses issued this past year, the total being 44,023 compared with 41,197 in 1937, 41,156 in 1936. There are 19,530 stock fire licenses, an increase of 273; 6,361 mutual fire, increase of 1,010; 396 reciprocals, increase of 30; 9,114 stock casualty, increase of 154; 2,946 mutual casualty, increase of 448; 528 casualty reciprocals, increase of 315; 4,690 life, increase of 535; and 459 mutual benefit agents, increase of 71.

In that section of the book which gives the record of insurance in Minnesota is shown that the fire companies collected premiums of \$17,837,611 in 1937 and had losses of \$7,039,812. This compares with premiums of \$16,129,703 and losses of \$6,808,703 in 1936. The casualty companies had premiums of \$24,539,181 and losses of \$9,809,370 in 1937 as compared with \$21,257,617 and \$8,876,404 in 1937. Compensation premiums jumped from \$6,069,680 in 1936 to \$7,431,087 in 1937.

The book contains 488 pages and covers all branches of the business. Many bits of information are given which can be found nowhere else. For example, many companies are listed about which data is not given in other reference books as they are too small or operate only locally.

## Turkey Insurance Is More Difficult to Get This Year

MINNEAPOLIS — Approach of the turkey season has started some speculation among Twin Cities insurance men as to how companies writing turkey insurance have fared this year. In view of the fact that last year some rather heavy losses were taken on this line of business there has been more than ordinary interest in the subject.

Writing of mortality insurance on turkeys was begun in the northwest a few years ago, being stimulated by large feed manufacturing firms which were trying to expand their market by encouraging farmers to raise more turkeys. The feed was sold largely on credit and to protect themselves the feed companies required that the turkey raisers carry full mortality insurance on their flocks. The coverage included fire, theft and windstorm.

At least one large insurance company went after this business aggressively and it is understood that its losses last year approximated \$75,000. Because of the severe losses last year, turkey growers were actively in the market for coverage again this year but it is reported that some of the companies have shied away from the business. However, it is understood that London Lloyds is writing turkey insurance rather freely.

T. R. Mansfield, vice-president of the Gulf, Dallas, was a visitor in Los Angeles before going to Del Monte to attend the Pacific Automobile Conference meeting.

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# The NATIONAL UNDERWRITER

November 10, 1938

CASUALTY AND SURETY SECTION

Page Seventeen

## Negative Trends in Casualty Business Deplored by Iago

### Limiting Coverage to Save Money Step in Wrong Direction

While the decline in premium volume on burglary and plate glass in 1938 as compared with 1937 is partly due to the recession and the economizing of people in general, part of it can be blamed on "negative trends" in the business itself. So thinks John J. Iago, vice-president of the Fidelity & Deposit in charge of burglary and plate glass.

As an illustration of a negative trend in the plate glass field, Mr. Iago cited the 50-50 policy being widely sold. The policyholder pays down half the usual premium at the time of purchase. If he experiences no loss, that is all he pays. If a glass is broken, he must spend on its repair an amount equal to the other half of the premium, at which point the company steps in to assume any additional cost on that or other losses. Appeal of the contract is, of course, that if the assured doesn't experience breakage, he saves half the premium, and in any event pays no more than the full annual premium.

### Carries Half of Risk

"Unfortunately, when someone who has been carrying a regular policy is persuaded to buy a 50-50 contract, he is being educated to carry half his own risk. If he runs along a year or two without a loss, it naturally occurs to him that if it is a good idea to carry half the risk, it might be twice as good an idea to carry it all."

In support of his belief that sale of a 50-50 policy sets up a situation which inevitably tends toward self insurance, Mr. Iago pointed out that while companies writing the contract have been taking business away from other companies the aggregate shows decreases rather than increases in total premium volume.

A similar situation exists in the burglary field with the \$500 burglary policy.

The general effect of too much concern with price and too little with quality has been to cheapen insurance by reducing protection. Too few are creating new premiums by selling more adequate protection to assured or by reaching non-assured.

### Sells Higher Limits

"An automobile agent told me the other day how he is approaching individual passenger car owners to sell \$100,000-\$300,000 public liability limits—and doing it. I suggested he must have a clientele of rich men. No, his clients are from the middle class. He points out to such prospects actual instances in which large judgments have been

(CONTINUED ON PAGE 23)

## How Underwriting of Life, Accident-Health Differs

The fundamental difference between the underwriting of accident and health and life insurance is that one deals with morbidity and the other with mortality, declared James E. Powell, vice-president Provident Life & Accident, in his discussion of accident and health underwriting before the Institute of Home Office Underwriters in Louisville. These are entirely different factors, and morbidity is much more prevalent. He cited a sales pamphlet put out by an accident and health company which illustrates this point, although he said he could not vouch for the figures. It said: "In the span of a man's life, he suffers an accident eight times, is disabled by accident or sickness 17 times, but he dies just once."

The only way in which a life company is concerned with periods of disability is in the ability of the policyholder to pay his premium and keep his life policy in force. On the other hand, death from natural causes does not increase the liability of the accident and health company, except for the period of disability preceding death. To that company it is not a question of whether a known physical impairment will result in death, but whether it will result in a series of disabilities, each with a non-fatal result. A suppurative appendix will always require from two weeks to two months of disability. Yet, with modern surgery, the percentage of fatal results after appendectomy is small indeed. Almost every natural death is preceded by some period of disability, while the percentage of cases where disability is succeeded by death is, comparatively, exceedingly small.

While the work of various public health agencies is undoubtedly aiding ordinary life insurance by lengthening the average of life, it does not hold out any great hope for reduction of losses on accident and health insurance, for the present at least. Increasing facilities for medical care, with decreasing cost to the individual, will probably bring about an increase in the number of days lost, particularly through temporary disability, rather than a decrease.

At the outset he referred to the fact that accident and health insurance as a generic designation includes many classifications, quite divergent in methods of production, underwriting and in some cases policy coverage. They include commercial, monthly payment, weekly premium, non-cancellable, group, specialty forms, such as newspaper accident policies and automobile accident forms, and hospitalization. He said that railroad instalment and the so-called commercial men's type of policy might also deserve separate classifications. His comments were directed primarily to the commercial classification.

The sources of information open to underwriters in the two fields are practically the same, except that in most cases there is no medical examination for accident and health insurance. In fact, it is quite generally considered that if any case is sufficiently doubtful to warrant medical examination, it is, per se, unacceptable and should be declined. He took up in order the occupational, physical, moral and financial hazards.

Practically all full coverage accident

and health insurance is written on a classified basis, with the accident portion of the premium determined by the occupational hazard which the applicant encounters in his employment. Little attempt has been made to rate health premiums by occupation, although some occupations are unhealthful, while not particularly hazardous in an accident sense. The usual practice in such cases is either to offer accident coverage without health, or to place those occupations on the prohibited list. In that connection he took up the provision for prorating in case of injury in a more hazardous occupation and the difficulties in connection with prorated claims.

On the physical side, he pointed out the differences mentioned above. He mentioned the practice of rating up impaired risks in life insurance, but said it is not practicable in accident and health, except in some cases with entire groups or occupations. He took up the use of waivers or riders and said that they offer some protection, but not as much as might be imagined.

After discussing briefly the moral hazard, he took up another type which he said might be called "morale" hazard, which is quite often the result of loss of employment or drastic reduction in income. The years of the late depression, Mr. Powell said, caused it to be apparent as never before. Even in times of relative prosperity, the underwriter must be alert to sense and avoid this hazard. Should actual disability, of a temporary nature, accompany the loss of income, the difficulty of terminating the claim and depriving the assured of an income larger than he can earn becomes very real.

Probably the greatest difference of all in the underwriting of accident and health insurance as compared to life is in the part the agent plays. Life producers are quite often called underwriters, while salesmen of accident and health insurance are usually designated by the commoner name of agent, "but, if the term 'underwriter' means 'selector of risks,' no man in the insurance business is more of an underwriter than the accident and health producer," Mr. Powell said. Successful home office underwriting is almost impossible without the active, continued cooperation of the agent, the man who takes the application and

(CONTINUED ON PAGE 23)

## New York Rules Mutuals Can Write Bankers Blanket

ALBANY, N. Y.—The New York department has ruled mutuals may be licensed to write bankers blanket bonds in this state. This decision followed complaint against Liberty Mutual quoting a rate for this coverage.

T. J. Cullen, first deputy superintendent, presided at the hearing and his decision was confirmed by Superintendent L. H. Pink. M. O. Garner, New York, general counsel Surety Association of America represented the complainants and E. W. Sawyer, Boston, assistant general counsel Liberty Mutual, the mutual case.

## Would Have Title General Agent Mean Supervising Office

### American Association Makes Appeal to Casualty and Surety Companies

The American Association of Insurance General Agents, which is composed of fire insurance administrators, has asked the casualty and surety executives to designate top commission local agents by some other term than "general agents." This organization does not allow as a member anyone that does a local business. A general agent means one who does actual supervising but writes no direct business. The letter sent out to casualty executives was signed by L. B. Daniels of San Francisco, president; Herbert Cobb Stebbins of Denver, secretary; Fred R. Lanagan, Denver, chairman executive committee; B. P. Carter of Richmond, Va., chairman conference committee. The letter is as follows:

"For many long years the officers and members of this association have sought the cooperation of the casualty and surety executives in an effort to restrict the title 'general agent' to independent supervising and managerial offices not engaged in the direct writing of casualty and surety business.

"Eight years ago in December, 1930, the National Convention of Insurance Commissioners adopted a report of the 'committee on acquisition cost' with an amendment thereto to the effect 'that the term "general agent" should be used only for appointing and supervising agents and not for those simply entitled to the highest rate of commission.' This amendment was offered by a committee of this association and no objection was raised by the National Association of Insurance Agents nor by others, and the president of the National Association of Casualty & Surety Agents at that time also recommended that a line of demarcation be drawn between supervising general agents and all other classes.

### Want Title Clear

"Admittedly it is certainly no concern of ours if the casualty companies provide for a differential in commission for different classes of direct-writing agents. We have no comment to make regarding the merits of such a method of remuneration to local-writing agents. What we desire and respectfully request is that the casualty and surety companies designate their 'top commission' local agents by some other title than 'general agents.'

"We also urge the casualty and surety companies to provide for the appointment of strictly supervising and managerial offices which may be designated as 'general agents' and define 'general agents' very much in the same way that the fire companies have done and make it compulsory that no such general agency office shall engage directly or indirectly in the local business. We also feel that the remuneration of such man-

agerial and supervising offices should be a matter of private contract between the individual companies and general agents, no more subject to 'commission acquisition cost' rules than the salaries of the home office executives.

"We feel that the remuneration of such managerial and supervising offices is in no sense 'commission acquisition cost' but is in the same category as the expenses of the home office inasmuch as such a general agency office relieves the home office of various duties in connection with the development and supervision of business which, in the absence of such a managerial and supervising office, would be of necessity performed by the home office staffs. The remuneration of such offices could not fairly be designated identically the same throughout the nation, for obviously not only are conditions dissimilar in different sections of the country, but the ability and worth of such general agency offices naturally are different even as the value and remuneration of company executives differ.

"It would be absurd to suggest a rule providing that the casualty and surety companies should pay an identical salary to each president and an identical salary to each vice-president and an identical salary to each superintendent of agencies and we are impressed with the fact that it is equally unsound to say that each managerial and supervising general agency should be identically compensated.

#### Should Be Bona Fide General Agents

"Despite the fact that many casualty and surety executives do not seem to recognize the fact that there are strictly supervising general agency offices not engaged in the direct writing of business, there are such offices in existence and there would be more such offices if proper provision were made for them.

"It seems to us as though the present rules were designed for the strangulation of independent supervising general agency offices by making no provision for the remuneration of such offices for their services, while leaving the companies which choose to set up a company-operated supervising offices in a specific territory entirely free to do so. A company supervising office can pay to agents under its jurisdiction the several scales of commissions provided for, including in many cases so-called general agency commissions, and the company is paying all of these commissions plus the cost of operating its supervising office. In many cases this cost is higher than would be the case if the same company were to appoint a supervising general agency, allow that supervising general agency to pay the same commissions to producing agents and in addition thereto pay the supervising general agency for its services in developing the field and supervising the business.

"The supervising general agency office being responsible for all agency balances saves its companies any cost through loss of balances, saves its companies the cost of social security taxes and, during periods of business recession, costs its companies no more percentage-wise on premium dollars written than during the most prosperous times, since its entire cost is governed by the volume of business written at all times. We supervising general agents, therefore, seek your recognition of our worth and the acceptance of the principle that the compensation for services rendered by us is a supervision and management expense. We do not wish to be compensated through 'under-cover agreements' which stultify both companies and general agents and cause a moral disintegration generally. As the matter now stands, we have the fire companies, almost without exception, insisting that no general agent engage in the local business, and the surety and casualty companies, on the other hand, insisting that he do; and this often in the same general agency office where both the fire company and its casualty running-mate are represented.

"This has created so much confusion

## N. Y. Amendment for State Health Insurance Adopted

NEW YORK—Amendment No. 8 to the New York state constitution, giving the legislature power to use the state's money and credit for social welfare purposes, including health insurance and old-age pensions, won by a substantial margin. There was delay in giving out the exact figures, as precedence in collecting and tabulating figures was given to determining the fortunes of the various candidates.

The social welfare amendment's health insurance feature was opposed by insurance men and many others as putting a needless burden on the working man's earnings to provide free medical care, when what the worker primarily needs is more money for the usual necessities of life. From a business angle it was opposed as putting the state into the insurance business.

#### N. Y. Code Hearings Nov. 16-18

NEW YORK—Hearings on the life and casualty sections of the proposed revision of the New York insurance law will be held Nov. 16-18 at the state office building, New York City. Assemblyman R. Foster Piper, chairman of the joint legislative committee on insurance law revision, will preside. Life insurance sections of the revisions will be taken up Nov. 16-17, and the casualty sections the following day. Sessions will start at 10 a. m. and at 2 p. m. Life hearings will not cover industrial, on which special hearings will be held later.

#### Ohio State Auto Fund Move

Seemingly another movement for compulsory automobile liability has been started in Ohio with the incorporation of the Automobile Accident Victims League, Inc., of Cleveland. Its purpose, according to its charter, is to promote "the welfare of victims of automobile accidents by advocating the adoption of legislation providing for immediate compensation to victims of automobile accident, either death or injury," by the means of a state fund created by compulsory contributions and administered by the state. The incorporators are Joseph Kraiger, J. F. Sallettel and A. C. Lusie.

#### Much Interest in Illinois

Much interest is being shown by the public in the new Illinois financial responsibility law. The Federation Agency in Chicago has devoted four of its monthly broadcasts to the responsibility law with J. Robert Johnson, Chicago broker, as commentator. Many inquiries were received following the broadcasts and the first night the switchboard was held up for an hour and a half in order to take care of calls.

and misunderstanding for such a long period of time that the strictly supervising general agency offices are in many cases considering abandoning the title 'general agent' and many of them have already done so. The majority, however, are desirous of obtaining your cooperation to the end that it will not be necessary to abandon the title. We do not wish to be forced to abandon our title nor do our members wish to be forced to engage in the writing of casualty and surety business locally in competition with local agents in order to exist; neither do we wish to be denied an equitable remuneration for our services because of the fact that the conference rules limit the allowance to a general agent when the term 'general agent' means nothing more than a local agent receiving the top scale of commissions."

## Anniversary



H. PHELPS SMITH

Gale, Smith & Co., Nashville agents, held a public reception last Friday in celebration of the 70th anniversary of the founding of the firm. The partners are H. Phelps Smith and W. Dudley Gale. Mr. Smith is one of the leading members of the Tennessee Association of Insurance Agents and is its former president. R. H. Williams, who was the vice-president of the Travelers Fire in charge of its operations when it was organized, served his apprenticeship in this Nashville office. He was succeeded by Esmond Ewing at his death, who likewise had received his insurance training in this agency. W. A. Bennie, of Atlanta, southern manager Ocean Accident & Guarantee, was formerly connected with Gale, Smith & Co. The forerunners of the present firm, Gale & Frizzell, were the first tenants in the First National Bank building, now the Third National Bank building, when it was ready for occupancy in 1906. The same suite of offices has been occupied by the succeeding firms.

#### Personnel of the Office

Miss Marguerite Murphy, supervisor of the surety and casualty division, has been a member of the staff for 18 years. Wilkins Northern joined the firm as a broker in 1920. Miss Elizabeth Cleveland has served the firm for 12 years as supervisor of the fire and marine department. O. L. O'Barr for 10 years has been the accountant and Mrs. Mildred Robertson serves at the general office desk.

The Gale family has been prominently identified with insurance in Nashville for three score years and ten. Col. W. Dudley Gale, grandfather of W. Dudley Gale, Jr., in 1868 had established a record in insurance. Ross, Gale & Thomas and subsequently Gale, Thomas & Sharpe were among the pioneers in local agency work in Nashville. In 1888, W. Dudley Gale II. bought an interest in the agency of Col. T. L. Claiborne and opened an office under the firm name of Claiborne & Gale.

Mr. Gale later on purchased Colonel Claiborne's interest and the firm became W. D. Gale & Co. In 1906, he merged the agency with that of Charles F. Frizzell & Co., changing the firm name to Gale & Frizzell. In 1911, Mr. Gale bought Mr. Frizzell's interest as the latter became southern manager for the Royal Indemnity and later deputy United States manager. Subsequently he became vice-president and general manager of the Indemnity of North America. In 1911, H. Phelps Smith associated himself with the firm, becoming a partner in 1916. Mr. Gale died in 1921 and in the same year his son, W. Dudley Gale, Jr., entered the firm and the present membership, Gale, Smith & Co., came into being. Mrs. W. Dudley Gale retains an interest left by her late husband.

## Pennsylvania Body Wants Lower Rates

HARRISBURG, PA.—The Pennsylvania public utility commission has notified five casualty companies that unless they immediately readjust their rates downward for liability, property damage and cargo insurance on small one-truck operators in the motor transportation field the commission will exempt truck operators of this class from its insurance requirements. The commission states that all other companies that have boosted rates can consider themselves included.

Complaint has been made to the commission that the companies are taking advantage of the commission's insurance requirements to establish higher rates than can be justified. The rules require truckers to carry liability, property damage and in most cases cargo insurance. Particular complaint comes from the Pittsburgh area where the rate for public liability at \$5,000/10,000 and property damage at \$5,000 for dump trucks, which had been \$91, has been increased to \$156.

## Plan U. S. F. & G. Conference in Chicago Nov. 14-15

Hugh D. Combs, vice-president of the United States Fidelity & Guaranty, will be a speaker at a dinner Nov. 14 in Chicago during the annual educational conference Nov. 14-15 between the Chicago branch and home office officials and agents of that company. Henry D. Moser, prominent Chicago attorney, who had much to do with drafting the Illinois insurance code, and C. M. Cartwright, managing editor THE NATIONAL UNDERWRITER, also will talk at the dinner. W. O. Schilling, manager of the branch office, will preside.

A number of officials will attend from the home office. In the first morning session Philip F. Lee, vice-president; A. D. Hall, assistant agency director; J. D. Williams, superintendent of the judicial department, and J. H. Dittman, superintendent burglary department home office, will be on the program.

The morning of the second day Harry F. Ogden, vice-president of the Fidelity & Guaranty Fire, and J. Harry Bibby, assistant casualty director at the home office, will be speakers, as also will be W. J. Jeffrey, superintendent of the casualty department, and David T. Harper, superintendent of the surety department, both of the Chicago office.

#### Bankers Indemnity School

NEWARK—The first half of the 20 weeks course primarily intended to familiarize employees of the Bankers Indemnity with the casualty business, will conclude Dec. 13. It will be resumed Jan. 10.

The attendance has been excellent and unusual interest has been taken in the course by the employees. Lecturers have been W. H. Wunner, production manager; J. C. Onderdonk, Jr., vice-president; J. A. Swett, assistant secretary; Paul H. Guilfoil, vice-president and general counsel, and J. C. Montgomery, secretary.

Commencement exercises will be held March 14.

#### Use Work as Textbook

Nebraska and Oregon are the latest additions of states that have included safe driving courses in their regular high school curricula. Both have adopted "Man and the Motor Car," the textbook on safe driving published by the National Conservation Bureau, a division of the Association of Casualty & Surety Executives, as the basis for giving high school students a thorough understanding of the fundamentals of operating an automobile efficiently. Ten states now have adopted it as a textbook for regular courses of instruction in their high schools.



## What Makes Sales Contests Click?

### Chicago Accident & Health Association Hears of Plans Used with Success

"Sales Contests That Click—and Some That Don't" was the topic for the clinic discussion of the Chicago Accident & Health Association at its November meeting this week. R. C. Straub of Pihl & Straub, who was in charge of the discussion, said it is unfortunately true that in most organizations 20 percent of the men write 80 percent of the business and the purpose of any contest is to get the 80 percent into more active production. He outlined three factors which must enter into any successful contest: (1) Inspiration—make the men want to do the job; (2) incentive—make it worth while, with cash, merchandise or honor and recognition; (3) instruction—show them how to do it, help them to learn how to sell more in order to win more.

#### Individual Tieup Needed

R. J. Clancy, Columbian National Life, said that an elaborate contest, spread out over the entire country, such as a "president's month" campaign, is likely to have less appeal in many cases because it is not tied in closely enough with the individual agency. He said that the E. E. Lamb agency, with which he is connected, is working on a five-year plan with the objective of writing \$1,000,000 in life insurance and \$10,000 in accident and health premiums in that time. This is divided into years and months and the quotas set up accordingly. If the contest is staged with the idea of helping to make the current month's quota, it has more appeal to the average agent. Even if he does not win a prize, he feels that he has accomplished something if he has made his quota for the month.

In a special Thanksgiving contest started the last week in October, each man was asked what he thought his quota should be and if his suggestion seemed reasonable, it was set at that figure. Turkeys will be awarded, not for the production of so much business, but for reaching the quota which the agent himself has set. He considers that there is a definite advantage in working out a contest of this kind with the help of the men themselves, instead of offering them one that is ready made.

#### Hoodoo Day Campaign Plans

To show the importance of having a contest planned out thoroughly in advance, C. D. Spencer, business manager of The Accident & Health Review, explained the setup that has been arranged in connection with the next Hoodoo Day campaign, when agents who write 13 accident or accident and health applications on Friday, Jan. 13, will be awarded certificates of membership in the Black Cat Club. A complete working schedule has been set up, so that the manager and agent can know just what to do at each stage of the campaign, with followup material for use at the various points. He said that if a complete plan is not outlined in advance, there are many questions that will come up at the last minute which may interfere with carrying it out to the greatest advantage, but if these are anticipated, the campaign is much more likely to click.

#### Hoffman Tells Bonus Plan

Carl W. Hoffman, gold seal division Great Northern Life, told of the bonus system he has worked out in connection with the sale of low-priced policies, with premiums ranging from \$2 to \$20. The bonus takes the form of a credit card, which the agent can use instead of cash in sending in the net on his next month's business, either new or renewal. However, it must be used in the next month, so that it is necessary for the agent to produce at least enough busi-

## Sounds Warning on Danger in Non-Profit Plans

PHILADELPHIA—Addressing the November luncheon-meeting of the Accident & Health Club of Philadelphia, C. A. Togut, associate executive director of the employees' group plan for medical, surgical and hospital care of New York City, warned that if the non-profit hospitalization plans are "permitted to continue without any strenuous competition by private insurance companies, it will only be a matter of years before enabling legislation is passed combining group hospitalization and medical and surgical expense coverage, to be issued only by non-profit organizations.

"They have demonstrated their worth to the American public at minimum rates and liberality of services," he went on, "and I hesitate to say that no insurance company in a competitive field has done as much."

He said a situation has arisen where "political considerations have begun to menace the established rights of private insurance carriers in New York. I have been well informed that legislation is being drafted to exclude all insurance carriers organized for profit from issuing policies covering medical and hospital reimbursement."

He stressed the need for group hospitalization, but warned insurance companies that successful combating of non-profit hospitalization plans must mean simple policy forms, with specified premiums and one prescribed benefit.

ness to use up the credit. This plan has been in use for three years and has produced consistent increases throughout the "recession" period. In 1937 the total number of policies in force increased 29 percent and for the first 10 months of 1938, 30 percent.

C. N. Dubach, Hartford Accident, told of some of the contest material he has used and emphasized the necessity of personalizing the message. His department has to deal with 1,300 agents, so that he said the problems were perhaps somewhat different than those of the average manager.

#### Need Goal to Shoot At

Charles H. Davis, manager eastern railroad department Pacific Mutual Life, said it is necessary to have some mark to shoot at. When he took charge of that department, he analyzed the earnings of the men in it, and set as his goal the bringing up of the monthly income of the older agents to \$350 per month. He said 18 have reached that mark, with the top man making \$10,000 per year. There are 40 that are making better than \$250 per month. On the other hand, there are 20 whose income is less than \$50 a month. The purpose of contests, he stated, is to bring these men gradually into a higher classification. He gave some details of the baseball contest conducted in June and the football contest that is now under way. That contest runs for two and a half months, but prizes are given each month. He said that a long contest is likely to fail unless there is something to keep the men stimulated. It is necessary to keep a contest snappy, to the point, aggressive. It also must be arranged so that everyone has a chance to win.

In opening the meeting President A. D. Anderson, Continental Casualty, spoke of the fact that a state health insurance proposal was being voted on in New York state and the danger of the idea spreading to other states. C. T. Redfield, Mutual Benefit Health & Accident, told of the plans for the dinner for members and their wives to be held Dec. 2.

The National Mutual Casualty of Tulsa, Okla., has applied for admission to California.

The United Employers Casualty of Houston, Tex., has been licensed in Oklahoma.

## Insurance Demands for Truck Operators

### Public Service Commission of New York Postpones Effective Date

ALBANY, N. Y.—The Public Service Commission has postponed to Jan. 1, 1939, the effective date of insurance requirements for truck operators and brokers that were recently adopted in connection with the administration of the new law giving the commission jurisdiction over the transportation of property in motor vehicles for compensation between points within New York.

The commission requires common and contract carriers transporting property for compensation to secure and maintain and file with the commission a corporate bond or policy of insurance in a company authorized to do business in this state, or in lieu thereof to file a certificate as provided in the requirements, covering each motor vehicle so to be operated for the sums set forth in the order, conditioned for the payment of all judgments recovered against such motor carrier.

#### Purpose of the Indemnity

The bond or insurance policy is to provide for minimum liability of \$5,000 for damages for and incident to death or injuries to one person; \$10,000 for damages for and incident to death or injuries to two or more persons arising out of the same accident; \$1,000 for damages for and incident to injuries to or destruction of property—each accident, and \$1,000 for loss or damage to property carried in one motor vehicle.

Every broker is required to secure and maintain and file with the commission a corporate bond or policy of insurance in a company authorized to do business in this state, conditioned to insure financial responsibility and the supplying of authorized transportation in accordance with contracts, agreements or arrangements therefore. The bond or policy shall have a minimum liability of \$5,000.

The commission will consider applications for permission to establish insurance funds in lieu of filing bonds or policies of insurance. Until such authority is granted bonds or policies of insurance, or certificates evidencing insurance, must be filed. No motor carrier or broker will be exempted from filing evidence of insurance. In lieu of a bond or policy of insurance, operators may file a certificate evidencing such insurance.

#### Selling to Give Address

C. F. Selling, assistant secretary Sun Indemnity, will address the Cincinnati Accident & Health Association at its first fall meeting Nov. 16 at Hotel Gibson. H. R. Whiteside, Earls-Blain Company, is president. The association has been active since last year.

#### "Cas-Sur" Club to Meet

The Illinois Association of Casualty & Surety Field men, better known as the "Cas-Sur" Club, will hold its annual meeting Nov. 16, at 2 p. m. at the Pere Marquette hotel in Peoria. Annual election of officers will be held as well as a discussion on the outline of program to be followed during the year.

#### Closes Down on Broker

KANSAS CITY—The Missouri commissioner of securities has ordered Mutual Standard Casualty and its promoter Felix Broker of Kansas City, to cease and desist from infractions of the Missouri securities act. The company has locked its offices at 320 East Tenth street. In May, 25 corporators of the Mutual Standard filed notice of intention to form a mutual casualty company. The commissioner charged illegal sale of unregistered securities.

## New York Accident-Health Club to Elect Nov. 17

NEW YORK.—At the annual meeting and dinner of the Accident & Health Club of New York Nov. 17, J. R. Garrett, National Casualty, will speak on compulsory health insurance. Nominated as officers of the association are: For president, Harold M. George, United States Fidelity & Guaranty; vice-president in charge of arrangements, E. R. Aichele, London & Lancashire Indemnity; vice-president in charge of education, Wesley T. Hammer, Commercial Casualty; vice-president in charge of membership, F. T. Curran, Continental Casualty; secretary, R. E. Ryan, Globe Indemnity; treasurer, John J. Donohue, United States Casualty; assistant treasurer, M. I. Gurian, New Amsterdam Casualty.

## C. G. Hallowell Honored at Luncheon in San Antonio

SAN ANTONIO, TEX.—L. W. Gosling, general agent Aetna Casualty in south and southwest Texas, was host to C. G. Hallowell, vice-president of that company at a luncheon here with about 150 in attendance, including Commissioners Daniel and Waters; D. G. Foreman, secretary, and F. C. Gittinger, vice-president Texas Association of Insurance Agents; J. M. Faulkner, supervisor southwestern department Fire Companies Adjustment Bureau; Raymond Hulsey, Automobile Checking Office, Austin, and J. A. Reilly, office manager Texas Checking Bureau. A number of field men of other companies were present, also local agents from Alice, Corpus Christi, Laredo, Boerne and other towns of southwest Texas.

Mr. Hallowell discussed the trend of insurance and pointed out the efforts which companies are now making to secure better trained agents in all fields and said the number of men who are now taking advantage of the training courses that companies are offering is a most hopeful and encouraging development. In this connection, he said there are still too many part-time agents and too many part-time policyholders. He urged that agents build a clientele.

## Casualty Engineers Meeting

The Casualty Engineers Association of Chicago will hold its first meeting of the season Friday evening in the Midland building. W. S. Sheldon of Fred S. James & Co. will give an address on "What an underwriter requires in connection with automotive inspection work?"

## Racine Agency's Open House

RACINE, WIS.—G. F. and B. H. Miller, owners of the Miller Brothers Agency were hosts to local citizens and clients as well as company officials, field men and local agents at an open house celebration, marking the formal opening of their new offices at 612 Wisconsin street. The agency was established in 1919, soon after the Miller brothers returned from war service.

Both are active in organization work. Grover Miller is president of the Racine County Board and recently was elected chairman of the executive committee of the Wisconsin Association of Insurance Agents.

## D. J. Reidy Explains

Daniel J. Reidy, assistant secretary of the Guardian Life, who spoke in Philadelphia, presented some conclusions regarding suicide claims. In one instance he gave what might be called a formula for reaching a decision as to whether a person really accidentally fell or committed suicide. The report stated that he devised this himself. Mr. Reidy states that he had nothing to do with its calculation.

## ACCIDENT AND HEALTH

### Blackall Suggests Cause of Complaint

NEW YORK—The executives of companies writing accident and health insurance were rather disconcerted over the remarks made by Commissioner Blackall of Connecticut before the Connecticut Association of Insurance Agents in which he said that in the health and accident field particularly he had come to the pronounced opinion that it should be a rule of companies writing such lines that all applications be filled out and answered by the client not only directly but in his own handwriting. Too often, he said, complaints which subsequently come to his office over representations made in application for health and accident policies are based primarily on the way which the writing agent, putting down the answer as given to him by his client, dismisses offhand and omits factual statements that subsequently turn out to have been important in connection with the underwriting of the risk. Too many complaints arise, he said.

### Inter-Ocean's October

Production in October, "loyalty month" for the Inter-Ocean Casualty, Cincinnati, made it the second largest month in its 35-year history. Theme of the campaign was the three musketeers' "all for one and one for all," educational material being stressed throughout the month. Eight representatives received laurel wreath emblems, the highest honor bestowed, for their achievement in attaining quotas each year for the eight years loyalty campaigns have been held.

### Much Competition on Hospitalization

The general consensus among executives writing health and accident business is that with the present trend toward hospitalization plan this form of indemnity will now run the same gamut that accident and health insurance did some years ago. In the halcyon days when competition was severe each company outdid the other in form of tassels and adornments on policies. There was no uniformity or standardization. Each company got out its own contracts and put in so-called talking points. The result was that conditions became chaotic. Companies were losing money and had no special goal in sight. Then followed the day when policy provisions were standardized. Contracts got down to a sane and judicious basis.

Just now each company feels that hospitalization is in the air. Hospitalization policies must be put in the field in order to meet the demands of agents. A company sees a competitor going ahead and writing considerable hospital business. This company may feel that in order to attract policyholders it must get out something different. Therefore there are all kinds of premiums and all kinds of provisions. There is very little scientific work being done on these contracts. Some companies undoubtedly are plunging and grief will follow. Those that have had some experience in this line are discovering that a number of "amendments must be made to the minutes of the meeting."

Hospitalization insurance will follow probably the same general course as non-cancellable insurance did when it started. Companies writing non-cancellable policies at the start opened the flood gates wide. It was a very expen-

sive process. There will probably be considerable money lost before hospitalization policies are standardized and stabilized.

### Minneapolis Regional Meeting

A regional meeting of the Health & Accident Underwriters Conference was held in Minneapolis Wednesday, in charge of Harold R. Gordon, executive secretary. A similar meeting will be held in Boston the last of this month, at which time Mr. Gordon will make final arrangements as to the dates and hotel accommodations for the annual meeting of the conference, which will be held in Boston, probably the last week in May.

### Industrial Insurers' Meeting

The annual meeting of the Industrial Insurers Conference, which will be a "Pearl Anniversary," will be held at Edgewater Gulf Hotel, Edgewater Gulf Park, Miss., between Gulfport and Biloxi, according to the announcement of Chairman H. T. Dobbs of the executive committee. The exact dates of the meeting will be announced later, but the three-day session will probably be held in May, next. The selection of the convention city is made by a mail ballot of members, the executive committee nominating several places. The convention program is expected to be the most constructive in the history of the conference.

### Ban Michigan Hospital Plan

LANSING, MICH.—A proposal of a group of Michigan hospitals to provide hospitalization service on an annual fee basis has been ruled insurance by the attorney general in an opinion to Commissioner Gauss. The opinion holds that the plan, under which any person contracting for the "service," on payment of a specific fee, in monthly installments, would be given up to 21 days' hospitalization annually, if re-

quired, not only is insurance but there is no present provision in the insurance code which would permit its operation legally.

The attorney general ruled that the essential element of the plan is not "services rendered by an agency" but a form of indemnity against a defined hazard for a limited period of time for a fixed consideration. This, he held, is obviously an insurance plan. Without additional legislation, it was ruled, no such plan could be operated even if the general provisions of the insurance code were observed.

### La Teer to Wisconsin National

O. F. La Teer has been appointed general agent of the Wisconsin National Life in Peoria, Ill., and will represent both the life and accident and health departments. He has been with the John Hancock Mutual Life for about five years as an agent. He has had considerable experience in both fields and has been a consistent producer in both.

### Launch People's Accident

LINCOLN, NEB.—C. P. VanVliet and N. P. VanVliet, well known insurance men, have secured the approval by Insurance Director Smrha of articles of incorporation of the People's Accident of Lincoln. Associated with them are Loren Laughlin, Dr. Harold Krieger, N. B. Hazen, E. R. Evans, W. S. Proud-fit, Loyal Warner and J. Murrell. The company will operate on the assessment plan.

### Illinois Mutual Ahead

In the first 10 months the Illinois Mutual Casualty showed a gain of 13.4 percent in paid accepted business. September and October were the biggest production months in its history. In October 896 applications were written in a special horse race contest. Howard Austin of Springfield led with 144 full



*"The BACKFIELD'S swell...  
but the LINE is lousy!"*

The man who carries the ball can never make 'first down' unless the line holds, and gives him an even chance to complete the play. You'll make no 'first downs' in production either, unless you can hold your gains. New business is essential—a steady inflow of it. But it's the business you keep which counts. It is the repeat and the renewal business that builds a strong and a profitable agency. Appreciating these facts, the F & D maintains in the field an organization of trained production men whose functions are not only to pave the way to more sales by the Company's representatives, but to help them hold their business gains. Just one of many reasons why, in suretyship, it pays to represent the

**FIDELITY AND DEPOSIT**  
COMPANY OF MARYLAND or its associate, the  
AMERICAN BONDING CO. OF BALTIMORE

MEMO  
It pays to represent the F & D

WRITING EXCLUSIVELY FIDELITY AND SURETY BONDS, BURGLARY, ROBBERY, FORGERY AND GLASS INSURANCE



## Why—

### You should sell more Plate Glass Insurance, MR. INSURANCE AGENT

Give your prospects and clients these facts:

The AMERICAN GLASS COMPANY concentrates its efforts to help insurance men keep Plate Glass Insurance sold; understands the *Real Service* so necessary to the assured; and, Mr. Agent should not hesitate to acquaint his customer with the many and various hazards that might occur to plate glass store fronts.

The Insurance Companies get the FIRST CALL on replacements.

In constant co-operation with the insurance companies we have improved our Service to a point whereby the assured gets his plate glass window installed within a few hours after the Company is notified.

Notwithstanding the many hazards in the performance of this work we have endeavored at all times to install windows with the least inconvenience to your assured.

In most cases the merchant without Plate Glass Insurance finds himself shopping around among various jobbers, attempting to get the lowest bid for the replace-

ment and in so doing finds himself without a window over-night before he becomes satisfied that he has received the lowest price.

We recognize the fact that the insurance companies today are the largest buyers of plate glass store fronts, and for this reason your customer should become acquainted with the important fact that the insurance companies do not shop around for Low Bids, but order replacements made immediately after being notified.

There are times when a loss occurs that makes it impossible to get installation within the skilled labor working hours and when such occurrences arise, we extend to your assured the courtesy of protecting the window from further damage by having experienced men board-up the opening, so as to prevent possible injuries to persons from falling glass.

If your customer fails to carry Plate Glass Insurance this service would almost cost him the price of a plate glass policy, after purchasing lumber and hiring men to do the work.

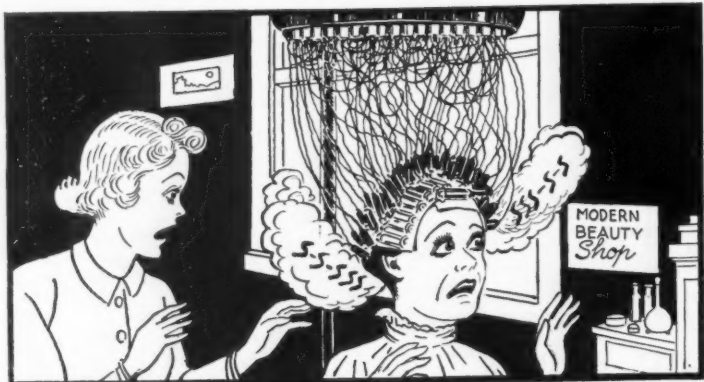
Your service to the assured will be improved through the superior service we afford you.

Our service is available to all Casualty Insurance Companies

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**RECOGNITION MERITED BY SERVICE**



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DEFENSE  
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# General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.



JOHN H. GRADY, United States Attorney  
JAMES F. MITCHELL, United States Manager  
GENERAL BUILDING 4TH & WALNUT STS.  
PHILADELPHIA

coverage accident applications. There were four weekly races in the contest with a grand derby for the entire period.

### Pittsburgh Meeting Monday

PITTSBURGH—The monthly meeting of the Pittsburgh Accident & Health Association will be held Monday night. It will be an informal get-together.

### Claim Association Meeting

The Chicago Claim Association had a meeting Wednesday evening, there being a demonstration by W. H. Geiger and Dan Kovach including the work of the "micro-detector," a supersensitive instrument designed for magnifying sounds impossible to detect without such a device.

### Joins Continental Casualty

NEW YORK—W. R. Rehman, for a number of years with the accident and health department of the United States Fidelity & Guaranty's branch in this city, has joined the underwriting staff of the Continental Casualty's eastern and metropolitan department. He will be associated with E. Hauschild, assistant secretary of the accident and health division.

## ASSOCIATIONS

### Attorney Talks in Pittsburgh

PITTSBURGH — Legal subjects of interest to insurance claims men were discussed by H. E. McCamey of the law firm of Dickie, Robinson & McCamey at the November meeting of the Pittsburgh Casualty Claims Association.

Mr. McCamey touched on new federal court rules for civil practice; the "Sci Fia" act in the light of a Philadelphia county court decision holding that a person named as a plaintiff in an action may be named also as a defendant, and the declaratory judgment feature of federal court practice.

He called attention to the existence of a committee of local judges set up to make rules for pre-trial conferences, heretofore non-existent in this county, and predicted that such conferences would be in effect here about the first of the year.

### Casualty Adjusters' Meeting

The Chicago Casualty Adjusters Association will meet at 6:15 p. m. Nov. 16, at the Great Northern hotel in that city. A. R. Peterson, attorney, will discuss "The Use of Motion Pictures as Evidence." Films of the Allen Commercial Service, which have been used in actual cases, will be shown.

### Opposes Stop-Loss Cover

BOSTON—Stop-loss insurance was condemned by Commissioner Harrington in his talk before the Association of Casualty Underwriters of Boston at the monthly dinner meeting. Men who sell stop loss contracts to Massachusetts employers are building up public sentiment in favor of compulsory workmen's compensation insurance laws or a state fund, he said. It serves to "unsell" people on the idea of insurance, he said, and moreover, sale of stop-loss compensation insurance is illegal in Massachusetts.

### Hear Traffic Engineer

Donald M. McNeil, city traffic engineer, spoke on "Engineering Applications to Traffic Safety" at a meeting of the Association of Casualty Insurance Engineers. He pointed out that Pittsburgh in the first 10 months of this year reduced traffic fatalities 27 percent as compared with last year.

The H. H. Hoard Co. agency of Cleveland has been transferred to LeRoy J. Linn and will be conducted as Linn & Co.

## CHANGES

### Home Indemnity Changes in Staff

L. V. Grady, manager of the Home Indemnity's branch office in Chicago, has been advanced to a post at the home office and J. F. Feeney, assistant manager, becomes manager. J. J. DuMont has been appointed casualty underwriter and Walter Kirchhoff, underwriter, becomes special agent to travel Wisconsin.

Mr. Grady started in the local agency business with his father at Jonesboro, Ark., and after some time went with the Southwestern Adjustment Company as an adjuster. Later he joined the Firemen's of Newark fleet, becoming manager of the Little Rock branch of the Commercial Casualty and Metropolitan Casualty. After more than five years there he was transferred to Des Moines as manager and some time later became western manager of the Phoenix Indemnity and London Guarantee in Chicago. He went with the Home Indemnity as branch manager at Chicago in 1937.

Mr. Feeney has had long experience in fidelity and surety, all in Chicago, being variously with the Ocean Accident, Constitution Indemnity and Union Indemnity, then fidelity and surety manager for the United States Casualty in Chicago before going with the Home Indemnity in the spring of 1937.

Mr. DuMont comes from a local agency at Wood River, Ill. Mr. Kirchhoff has been connected with the Home fleet in Chicago for about 12 years, for 11 years of that time as counter man of the National Liberty.

### American Casualty Expands Its Chicago Branch

The American Casualty has moved its Chicago branch office to larger quarters in the Insurance Exchange building, Rooms A-1844-1848. Agents and brokers of Chicago and vicinity will be able to secure immediate service on any of the multiple casualty lines which the American Casualty writes.

The new office will continue under the direction of Edward W. Morse, who has had 12 years' experience in that territory. Associated with Mr. Morse are B. S. Weyforth, Jr., chief underwriter; R. H. Moore, special representative, and Frank E. Meyer, claims manager. The American Casualty has maintained a branch office in Chicago since 1919.

### W. L. Read Is Manager

In the Oct. 27 issue of THE NATIONAL UNDERWRITER, it was incorrectly stated that W. L. Read has been appointed assistant manager of the new Cleveland service office of the Home Indemnity. Mr. Read, who was formerly with the Bankers Indemnity, will be manager and will assist R. P. McKay, Ohio state manager at Columbus, in supervising the state.

### Maryland Casualty Changes

Maryland Casualty has transferred T. A. Murray, adjuster at Kansas City, to Jackson, Miss. T. E. Conlon, Jr., at the home office, specializing in surety claims, is appointed to succeed Mr. Murray.

### R. J. Parker Assistant Manager

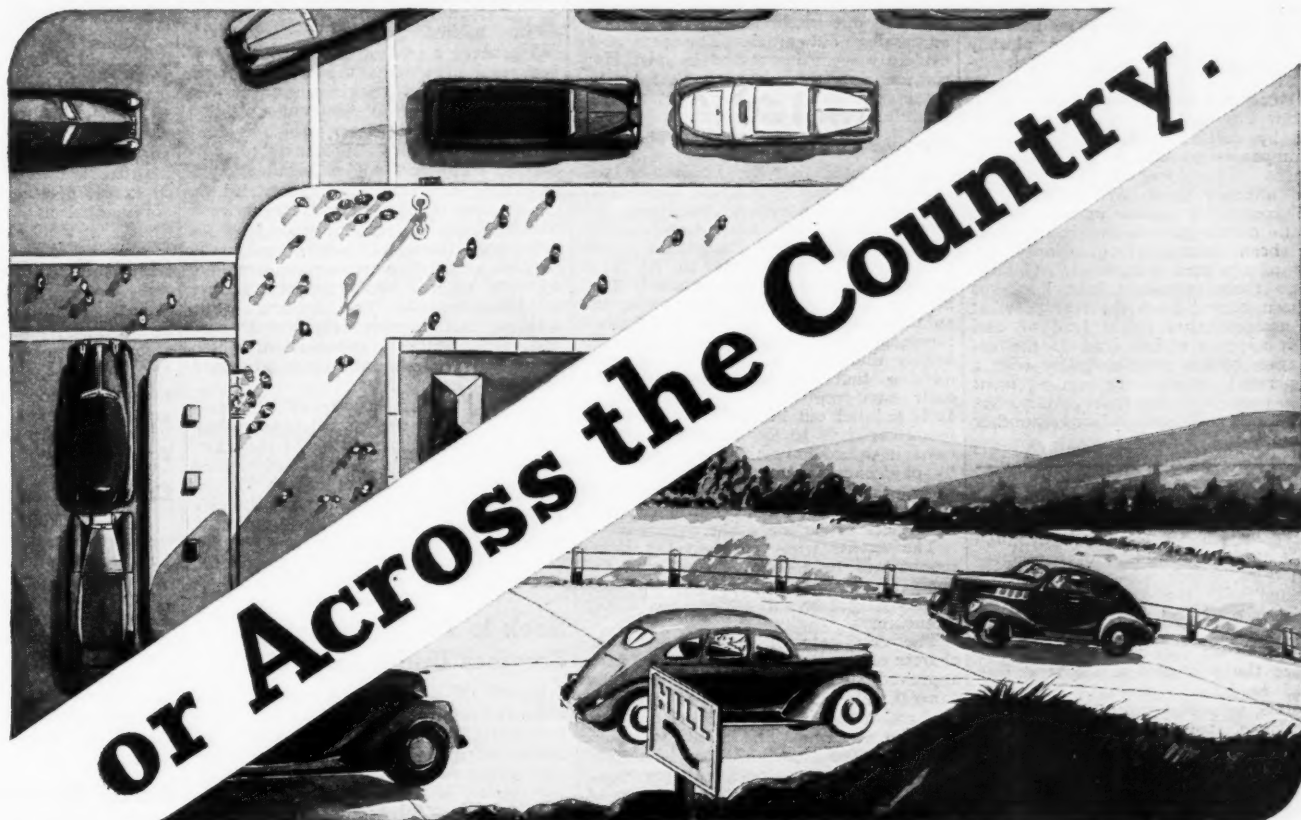
R. J. Parker, formerly district manager of the Globe Indemnity at Oakland, Cal., and since then superintendent of the casualty business in the Pacific Coast department, has been made assistant manager of the Pacific Coast office and will be in full charge of the casualty lines.

A. Douglas Mennie, recently advanced to assistant manager, will continue in charge of fidelity and surety business.



# the Corner . . .

# Around



● No one knows when or where an automobile accident, with attendant claims for damages for bodily injury or property damage, may occur. It may happen a thousand miles away, or it may happen within a stone's throw of home. But **wherever** an accident occurs, the motorist needs adequate insurance in a sound, dependable company whose policies are accepted in all states and provinces as evidence of financial responsibility. It pays to be Aetna-ized. It pays to be an Aetna-izer.

THE AETNA CASUALTY  
AND SURETY COMPANY

THE AETNA LIFE  
INSURANCE COMPANY



THE AUTOMOBILE  
INSURANCE COMPANY

THE STANDARD FIRE  
INSURANCE COMPANY

of Hartford, Connecticut

## Aetna Automobile Insurance

protects the motorist from coast to coast

## Give Further Plans of the Paramount

(CONTINUED FROM PAGE 3)

among agents, many feel it will not have an immediate effect on the agency business as mortgage loan agencies that will represent this company have already been controlling the placing of insurance, and that this control whether by direct coercion or evasion of the licensing law has been prompted and sponsored by certain companies or groups of companies to obtain this mortgage business. Therefore, for the present, those affected most will possibly be these companies whose actions in the past to obtain this mortgage business have been somewhat questioned by many agents and companies. Opposition to these mortgage loan hook-ups has been caused from the fear of what such arrangements might lead to, and now it appears it has led to the organization of this new company with a 100 percent reinsurance arrangement with a prominent insurance group. As to what this will lead to brings another problem."

### EXPLANATION MADE

NEW YORK—There has been much interest in the promotion of the Paramount Fire, which while not officially connected with the Mortgage Bankers Association of America, is using its members as agents. It seems that there had been a plan on foot for some time to organize the company and first it was decided to have a mutual. Then the promoters, who are members of the organization shifted and proposed to have a stock company that would be reinsured for the most part in mutuals and non-board stock companies. It was at this time that W. Eugene Harrington of Atlanta, former president National Association of Insurance Agents was contacted as he was interested in mortgage bank business and was known to the promoters as one versed in insurance.

#### Harrington Plea Changed Plan

It is stated here that it was Mr. Harrington's personal influence that changed the minds of the promoters and caused them to establish their setup whereby the Home of New York becomes reinsurer, the company will operate through agents who are members of state associations and will abide by all the rules and rates of the jurisdictions in which they are located. Those who are interested in the company do

not hesitate to say that the promoters were determined to organize a company. Therefore when Mr. Harrington stepped into the picture he immediately saw the danger of the course that would be pursued. He was not interested at all in the company at this time. He appeared before the organizers in the effort to convince them that the path they had laid out might lead them into embarrassing difficulties. The promoters evidently were impressed by Mr. Harrington and they insisted that he become connected with the organization as consultant and be a director.

#### Commission Rumor

It is stated that the Paramount will apply for membership in all supervisory organizations in which the Home belongs. There have been stories going the rounds that the Paramount would pay higher commissions to its local agents than the regular schedule thus making them practically general agents so that other local agents that control mortgage bankers' business could broker their lines and receive the commission that ordinarily was paid by their own companies for this business. It is pointed out here that if the Paramount belongs to the various organizations it would have to violate the rules to pay excess commissions. Its reinsurer, the Home, would be involved. This, the statement says, would hardly be logical or business like.

The agents who represent the Paramount will to a large extent own the company. They will either pay for their stock outright or will arrange for proper financing.

The certificate of intention and the charter of the Paramount Fire have been approved by the New York attorney general. The company now is incorporated and may open its stock subscription books at any time. The capital will consist of 300,000 shares divided into 2,500 shares of common stock, with par value of \$100 a share, and 50,000 shares of preferred at \$1 par value.

#### Change California License Plan

LOS ANGELES—The California motor vehicle department has clamped down on the almost indiscriminate issuance of drivers and chauffeurs licenses by officials of automobile clubs, and will confine issuance of permits to regular licensed examiners of the department.

Heretofore, to facilitate issuance of licenses and to afford more local opportunity to get a license, certain officials of automobile clubs examined applicants and issued the licenses. Now applicants can get licenses at the auto club headquarters only, none of the branches having an examiner, and must undergo the regulation test provided in the code.

## WORKMEN'S COMPENSATION

### Conflict in Laws to U. S. Supreme Court

The United States Supreme Court has granted a writ of certiorari and will hear oral arguments the week of Dec. 5, in the case of Pacific Employers vs. California Industrial Accident Commission and Kenneth Tator, which is considered of major importance to employees, employers and insurance companies throughout the United States.

The case involves a conflict between the workmen's compensation laws of Massachusetts and California and arose out of a situation where an employee who had entered into a contract of hire in Massachusetts was injured while working in California. He filed a claim with the California commission, which assumed jurisdiction and made an award in the applicant's favor.

The California insurer of the employer resisted the award, contending that, by taking jurisdiction of the case, the California commission had denied full faith and credit under the United States constitution to the workmen's compensation law of Massachusetts. The district court of appeal and the supreme court of California upheld the award of the California commission.

### Seek to Put Settlement Services Under Control

BOSTON—Attorney-General Dever will recommend to the next Massachusetts legislature that all companies doing workmen's compensation insurance settlement service be placed under supervision of the state industrial accident board. This follows closely on the attorney-general's criticism of a New York company offering compensation settlement service and his request for an injunction against the company.

Mr. Dever points out that his recommendation is the result of an investigation which shows 300,000 industrial employees are denied benefits of compensation coverage in Massachusetts. Many workers, he said, are led to sign away their rights by high-pressure methods, and then are bound by the agreement and cannot appeal. Assistant Attorney General M. M. Goldman appeared before the special legislative recess commission studying compensation, with special reference to extra-hazardous risks, disclosing his superior's plans.

#### Accident Policy Won't Do

BOSTON—A personal accident policy issued to an employee on application of an employer and paid for by the latter is not a policy under the Massachusetts workmen's compensation act even though taken out by the employer in lieu of compensation, according to a state supreme court decision. This upsets the finding by the Massachusetts industrial accident board which held that this was in essence a compensation policy and as such amenable to the review of the board. The superior court handed down an opinion and decree re-

versing the industrial accident board which now is affirmed by the supreme court.

#### To Have Missouri Hearing

Public hearing will be held by the Missouri department Nov. 14 to consider the following workmen's compensation rate subjects: Annual revision of workmen's compensation rates, general revision of occupational disease rates, a supplement to the retrospective rating plan for waiver of retrospective premium in excess of standard premium, and basic manual and experience rating proposals on a number of classes.

#### Morris Is on Board

BOSTON—J. H. Morris of Cambridge, was appointed a member of the Massachusetts industrial accident board to succeed J. A. Parks, holdover since May. Mr. Parks has been a member of the board since its organization 25 years ago, most of the time as chairman. Emma S. Tousand, Quincy, recently appointed, has been made chairman.

#### Explain Retrospective Plan

SAN FRANCISCO—Lectures on retrospective rating, recently approved in California, were delivered before the Insurance Brokers Exchange Monday, and the Society of Insurance Brokers Thursday. J. H. Egloff, agency supervisor Travelers, addressed the Brokers Exchange and on Thursday the speakers were Mr. Egloff and G. E. Peterson, assistant secretary Travelers, who spoke from the technical standpoint. Mr. Egloff told of methods of selling the coverage.

#### Set Up Two Classifications

TALLAHASSEE, FLA.—Commissioner Knott, who has charge of all rates and classifications under the compensation law, has promulgated several changes in regulations in the turpentine and resin industry, which he outlined in a letter to the National Council on Compensation Insurance.

Heretofore there have been only two classifications, one for the farm process, and another containing both the destructive and steam processes. Pressure has been brought for years to have separate classifications for steam and destructive methods. Alabama, Georgia and Louisiana have requested the council to use the Florida procedure in those states. Deputy Commissioner Ralph Davis has returned from New York to go over plans for Florida's next compensation rate revision. The filing will be made on experience ending Dec. 31, 1938, and new rates will become effective July 1, 1939.

#### Redding Is College Speaker

Amos E. Redding, field supervisor of the Aetna Casualty & Surety in charge of sales training course, spoke on "Opportunities in the Casualty Business" before the insurance class of Connecticut State College.

D. J. Burcaw, 39, Salem, O., local agent, died from a heart ailment.

## AMERICAN RE-INSURANCE CO.

Robert C. Ream, President  
99 John Street New York  
DECEMBER 31st, 1937

CAPITAL .....	\$ 2,000,000.00
Surplus .....	3,028,762.81
Voluntary Catastrophe Reserve.....	500,000.00
Reserve for Losses.....	4,358,549.45
All Other Liabilities.....	1,992,463.60
<b>TOTAL ADMITTED ASSETS.....</b>	<b>11,879,775.86</b>

NOTE: Securities carried at \$363,743.75 in the above statement are deposited as required by law.

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PRESIDENT

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New York, N. Y.



## Tuesday's Election Affects Many

(CONTINUED FROM PAGE 3)

colorful Owen B. Hunt. Rhode Island also swings to the Republican ranks by the election of W. H. Vanderbilt.

One of the old timers will walk the plank in Wisconsin as Governor LaFollette will be succeeded by a Republican and Commissioner H. J. Mortensen naturally will be replaced. He, by the way, is the only Wisconsin commissioner that has ever been reappointed.

Insurance men were interested in the candidacy of Herman L. Ekern of Ekern & Myers, attorneys, with offices in Chicago and Madison, Wis., who is lieutenant governor of Wisconsin and was a candidate on the LaFollette ticket for United States senator. Mr. Ekern is a former insurance commissioner and former attorney general of Wisconsin. He is president of the Lutheran Brotherhood of Minneapolis, a fraternal. He was defeated about two to one.

Republican victories in Oregon, Idaho and South Dakota apparently mean the replacements of Commissioners Earle, Bakes and Dunn in those states. The Republican candidate in Nebraska was leading on early returns so that Insurance Director Smrha may lose out there.

The effect of the election may soften the temper of the life insurance investigation by the SEC. While insurance executives have been assured that the probe will be fair and will be along thoroughly legitimate lines yet there has been a feeling of uncertainty as to the possibilities. The strong Republican vote may act as a check to any sensationalism.

There may be some changes in southern states where naturally the state government remains Democratic but a new governor is chosen. This may affect some of the existing commissioners.

### HARTFORD MEN ELECTED

HARTFORD—Through the surprisingly strong run of Bridgeport's mayor, Socialist Jasper McLevy, enough Democratic votes were lost in upstate Connecticut to carry to victory by a slim margin William J. Miller, of Wethersfield, Hartford agent for the New York Life, in his bid for a seat in the house of representatives. Another successful Republican candidate from Hartford was Frank A. Simmons, special agent for the Scottish Union & National group. Mr. Simmons who lives in Hazardville was elected to the state senate from the seventh district.

### Kansas City Man Cited

KANSAS CITY — Superintendent Robertson has cited Lloyd Dykstra, operator of the Mid-Continent Agency, formerly at 320 East Tenth street, here, to show cause why his license as an agent should not be revoked.

According to the Better Business Bureau Dykstra sold hospitalization policies written by the Income Guaranty of South Bend, Ind., when that company was licensed in Missouri. Dykstra moved to Houston, Tex., some weeks ago and has been circulating Income Guaranty policyholders, asking them to change their policies to the Great American Accident of Texas, of which Dykstra is secretary-treasurer. The Great American is not licensed in Missouri, and Commissioner Daniel of Texas has notified the Kansas City Better Business Bureau that the last sworn annual statement of that company showed \$230 total admitted assets. It operates on a mutual assessment basis.

The Iowa Fire Prevention Association will inspect Iowa Falls Nov. 17.

Fred L. Collins of the Collins Insurance Agency, Alpena, Mich., died from a heart attack. He had been in the business for 30 years. The agency, established in 1867, will be continued.

## Countersignature Parley Is Dropped

(CONTINUED FROM PAGE 3)

"In view of the position taken by Mr. Bennett in his article, a conference such as I suggested would of course be futile and I will not pursue it further, gracefully yielding any preconceived ideas I may have had in the matter to the wisdom and experience of Mr. Bennett."

Since suggesting the conference Mr. Bowles has received a letter from Vincent Cullen, vice-president National Surety, complimenting him on his proposal, and one from Cliff C. Jones, Kansas City, president National Association of Casualty & Surety Agents, saying that he would welcome an invitation to attend the proposed conference. The Association of Casualty & Surety Executives has been threatening to test validity of the new Virginia law in the federal court but has as yet taken no action.

### ARRANGING FOR PARLEY

KANSAS CITY, MO.—C. C. Jones of this city, president National Association of Casualty & Surety Agents, stated that his organization is arranging a conference with the conference committee of the International Association of Casualty & Surety Underwriters to discuss resident agent laws with special point made of the countersignature provision. A. Duncan Reid, president Globe Indemnity, who is chairman of the company casualty committee, is on the Pacific Coast. The companies, however, have indicated a desire to participate in the conference. President Jones said that any discussion now will be preliminary to a general conference on the subject suggested by Commissioner Bowles of Virginia to be held in Des Moines the week that the insurance commissioners meet there.

### Position of Casualty Agents

The National Association of Casualty & Surety Agents is carrying out the mandate given the officials and the executive committee at the White Sulphur Springs convention in September. At that time it was stated that there should be a uniform law in regard to countersignature and so far as casualty and surety agents are concerned the members have been polled and 90 percent expressed the view that there should be a nominal fee for such work. They are not expressing any sentiment so far as fire insurance is concerned, believing that it should be treated separately. They are opposed to the present conglomeration of statutes, desire simplicity and standardization. A committee will be in New York next Tuesday and Wednesday and will confer with the executives. Those expecting to attend are C. C. Jones of Kansas City, president; Charles H. Buresh, Chicago, secretary; W. D. O'Gorman, Newark, N. J., vice-president; C. A. Abrahamson, Omaha; George W. Blossom, Jr., Chicago, and J. H. Harrison, New York City, members of the executive committee. It is possible that Wade Fetzner, Chicago also may attend.

The National Association of Casualty & Surety Agents hopes to come to an agreement with the companies so that some specific recommendation can be made to the insurance commissioners at their mid-year meeting in Des Moines the first week of next month.

### SECRETARY BENNETT'S VIEWS

Secretary W. H. Bennett in the "American Agency Bulletin" said that undeniably there is a decided trend toward tightening up laws now in existence and introducing new ones. Next year is a legislative year and the necessity for as prompt action as practicable, he said, is apparent. On the other hand, he adds, a matter of such importance

to the insurance people and public must be approached with painstaking deliberation and not impetuous haste. For this reason, he states, the officers of his organization feel that the several suggestions for an instant conference with other producers organizations or of any company organization are premature. First, he said, the National association believes that its officials should try to harmonize all interests in the body before undertaking to step outside. Commissioner Bowles of Virginia, he says, has every right to a feeling of irritation because after he had sponsored a bill which appeared to him to be "right, reasonable and fair," and it had been adopted and signed by the governor, it became the subject of attack from the Association of Casualty & Surety Executives which was preparing to litigate it in the federal court.

### Should Settle by Arbitration

It is reasonably sure, continued Mr. Bennett, that other commissioners join with Mr. Bowles in his desire to have the matter settled. It seems not too optimistic, he adds, to hope that apparently it can be settled through arbitration. Mr. Bennett sees evidences that sanity and reason will prevail. However, the officers of the National Association of Insurance Agents, he explains, feel that their first labor should be directed toward their own ranks in an effort to evolve a plan which will preserve agency franchises and best serve the public interests.

## How Underwriting of Two Lines Differs

(CONTINUED FROM PAGE 17)

who is the company's point of personal contact with the policyholder.

This cooperation, he added, is probably easier to get from the accident and health man than from the life man for two reasons: (1) Unsatisfactory relations with policyholders in claim matters can easily injure the reputation and standing of both agent and company. (2) Renewal equities under accident and health contracts are seldom guaranteed or vested and errors in underwriting judgment show up in a comparatively short time. While renewal commissions are not vested, it is intended that they be paid over a long period, but if the company finds it impossible to operate successfully in a given territory or agency, it probably will retire, thereby causing the loss of renewal commissions.

### Economic Security Is Goal

"Economic security has always been the goal of civilization," Mr. Powell declared. "Accident and sickness are the greatest enemies of that security. Accident and health insurance offers the best solution of the problem ever devised in a nation of free enterprise. Like life insurance, it is human being insurance. Varying in detail, the fundamental problems of its selection or underwriting are the same as in life insurance, just as the fundamental problems of production of the two lines are the same. Certainly, the goal is the same—more of economic security and less of privation and suffering in life, and more of economic security and less of poverty and want for our loved ones after our days of earning or even of living are over."

## Negative Trends in Casualty Business

(CONTINUED FROM PAGE 17)

returned against individuals as a result of accidents in which practically anyone might become involved. Then he goes on to explain how little protection for higher limits actually costs. He asked me how much additional I thought I should have to pay for those limits, and I told him \$35. It was \$12.

"That is what I regard as a positive approach to the problem of reduced pre-

mium volume. Things are picking up a bit over the country, and it seems the psychological time to sell the assured better protection and see to it that the non-assured has insurance."

### Casualty Company Notes

The General Casualty of Seattle has been licensed in Canada.

The Virginia Surety has been licensed in Ohio. C. C. Sussell of Toledo is state agent.

## COMPANIES

### Compensation Casualty's Setup

The Compensation Casualty of Los Angeles, now being organized, will have Dr. W. H. Rambo of Glendale as president; D. C. Wright, insurance broker of Los Angeles, vice-president; Henry Dimling, adjuster Los Angeles, secretary and treasurer, and A. D. McBoyle, Del Monte, broker, assistant secretary.

The California department has authorized the Compensation Casualty to take subscriptions for, sell and issue to the public not to exceed 10,000 shares of stock at \$20 per share, for cash.

### New San Francisco Reciprocal

A new reciprocal insurance exchange is being organized in San Francisco and the name, Certified Indemnity Exchange, has been approved by Commissioner Goodcell.

### New Company in Baltimore

The Paramount Insurance Company, 209 East Fayette street, Baltimore, has been chartered by S. R. Zetzer, Harry Hoffman and C. S. Packard, with authorized capital of 10,000 shares of a par value of \$25 a share. It will insure automobiles and other property against theft, conversion or other loss, and carry on a general liability business. It has offices with the Stanley Insurance Service, which began operations some months ago.

### Western Surety Figures

The Western Surety of Sioux Falls, S. D., as of Oct. 1, shows assets \$1,358,281, premium reserve \$203,695, loss reserve \$171,711, capital \$300,000, voluntary reserve \$175,000, net surplus \$433,025.

### Plan Mandatory Auto Tests

COLUMBUS, O.—The city council is considering passage of a compulsory automobile inspection ordinance. Principal features of the proposed measure provide for semi-annual inspection of all vehicles at a city bureau, to be operated by a new division, known as the department of public safety. A fee will be charged. Columbus Automobile Club is opposing the measure.

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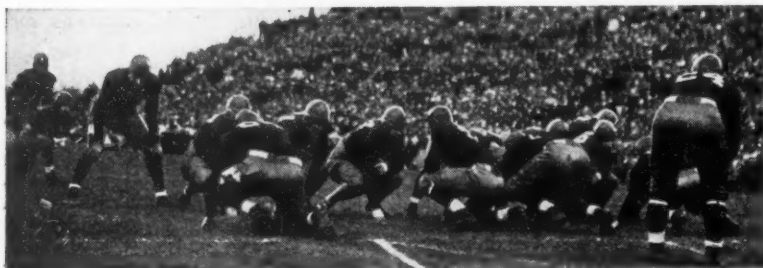
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## SURETY

### Chicago Surety Men Hold Annual Meet and Party

Palmer O. Olstad, surety department manager in the Insurance Exchange branch of the Continental Casualty, Chicago, is slated for election as president of the Surety Underwriters Association of Chicago at the annual meeting and party Thursday night in the Lake Shore Athletic Club, Chicago. Others on the slate are: Vice-president, Joseph I. Johnson, Aetna Casualty; secretary, Walter S. Lane, U. S. F. & G., and treasurer, Edmond Madden, Maryland Casualty. Mr. Olstad has been vice-president and Mr. Lane treasurer the past year. E. V. Mitchell, Continental Casualty, was nominated for reelection as general counsel of the association.

Slated for the executive and acquisition cost committee are: W. H. Hansmann, Fidelity & Deposit; A. A. Korte, Fidelity & Casualty; L. C. Knapp, Great American; J. C. Keevers, Maryland Casualty; R. E. Hall, National Surety; J. L. Maehle, American Surety, and W. H. Wallace, Hartford Accident, the retiring president. The complaint committee nominated is: B. H. Davenport, American Surety; J. S. Neal, Fidelity & Deposit, and L. H. Conochie, Central Surety.

An elaborate floor show will be a feature of the party, which will start at 6:30 p. m. The entertainment committee consists of Messrs. Neal and Johnson and Ward Hilton, Hartford Accident.

### Ruling on Liquor Bonds

COLUMBUS—The tax commission of Ohio has sent to bonding companies a notice that liability starts from the date of issuance of a liquor permit. If the permit holder fails to renew his permit or the permit is terminated by surrender, termination or revocation, the permit ends and future liability of the surety ceases. However, the surety is not released from any liability that may have occurred during the life of the permit, which was supported by bond.

### Pittsburgh Meeting Postponed

PITTSBURGH—The monthly meeting of the Surety Association of Pittsburgh was postponed to Nov. 15 because of the general election.

## PERSONALS

E. W. Levering, Jr., vice-president United States Fidelity & Guaranty, has been elected president of the board of trustees of the Baltimore Y. M. C. A.

R. H. Seacat, 40, claims manager of the Detroit branch of the American States, died at his home from a heart attack.

Vice-president Alonzo G. Oakley of the U. S. Fidelity & Guaranty in New York returned to his desk after some months illness in a hospital and then recuperating in Lake Placid.

L. D. Cavanaugh, executive vice-president of the Federal Life of Chicago, a most eligible bachelor, but who was supposed to have passed the susceptible age, is to be married between Nov. 15 and 20 to Miss Vera Matthews of Chicago, a very charming woman. Mr. Cavanaugh is president of the Health & Accident Underwriters Conference and is active in other bodies. President Isaac Miller Hamilton has announced that on his 75th birthday anniversary next year he will retire from the presidency and Mr. Cavanaugh will succeed him. A dinner in honor of the event was tendered Mr. Cavanaugh by

Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, and Lee N. Parker, president American Service Bureau.

An added honor recently paid Floyd N. Dull, vice-president in New York City of the Continental Casualty, was his election as director of the New York Board of Trade, one of the oldest trade organizations in this city, and one of the most influential.

President F. J. O'Neill of the Royal Indemnity gave a dinner in honor of W. D. Sullivan and Moe Nelson who are celebrating their 25th anniversaries with the company. Both are connected with the legal department. Mr. Nelson is in charge of the property damage work, handling legal and claims matters and Mr. Sullivan prepares cases for supreme court trials.

C. B. Cornell of San Francisco, vice-president in charge of the Pacific Coast department of the Fidelity & Casualty, is observing his 40th anniversary with the company this month. He is a graduate of Cornell University and went with the F. & C. in 1898 in the clerical department after he left college. In 1903 he was sent to San Francisco as claim examiner, then was appointed assistant resident manager and made manager in 1914. Later he became a vice-president. Washington, Oregon, California, Arizona, Nevada, Utah, Idaho and Montana are in his jurisdiction.

### File Joint Liability Rates

OLYMPIA, WASH.—The General Casualty, Northwest Casualty and United Pacific, all of Seattle, have amended their filings with Washington department to establish uniform rates and forms in connection with public liability policies. To simplify coverages, the amendments were made by joint agreement.

### Discuss Public Risks

LOS ANGELES—The Casualty Insurance Association of Southern California at a luncheon meeting here discussed the question of public risks. President Hugo Methmann, Fireman's Fund Indemnity, appointed a committee to make a study of the situation and endeavor to work out some satisfactory solution. William Lannecke of the casualty acquisition cost conference San Francisco office was in attendance and spoke briefly.

Miss Jesse Fravel of Kinsley, Kan., has purchased the agency of Miss D. J. Bingham, who died Aug. 15 after 45 years in the business.

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## Bailey Chosen Head of the Connecticut Agents Association

(CONTINUED FROM PAGE 5)

qualifications committee indicating that the difficulty in setting up a strong qualification law was to find the strongest expression of definite qualifications which would stand the test of the courts and at the same time leave sufficient discretionary power in the hands of the commissioner so that he might strengthen the law by administration and interpretation.

Too many complaints are coming in to the insurance department on accident and health claims, said Commissioner Blackall, in his address. Within the last month particularly the Connecticut department had been sought by accident

and health policy claimants protesting their treatment, reported the commissioner. He said he was being pushed toward the conclusion that the law should require accident and health applications to be filled out in the prospect's own handwriting. The buyer then could not go behind his warranties on the ground that the agent had really answered the questions and had glossed over or suggested omissions of history which the company later would hold to be suppression of vital underwriting information. Fighting of claims by the accident and health companies, said the commissioner, does not occur on relatively small amounts but appears when there seems a likelihood that the claim might run over several years.

Mr. Blackall's remarks on this subject fitted into his general subject of the responsibility of fire and casualty agents, as he was indicating that for accident and health insurance, the agent should enter on the application blank every

item of information necessary for the underwriting department in estimating a risk. Then later the company would have no ground for saying that the underwriting department would have refused the risk in the event additional information had been entered on the blank.

Commissioner Blackall pledged his continued efforts to eliminate the part-time agent who does not enter the business intending to become a full-time worker in it, and to bring insurance counselors under some kind of state licensing system. Recently a would-be insurance counselor wrote to Mr. Blackall requesting a list of the books which he should read in order to prepare himself for the job.

### Should Recognize Rural Agents

Roy T. Brown, secretary America Fore, strongly urged the Connecticut association to encourage activity on the part of its rural agents committee headed by R. E. Doty, Torrington. Mr. Brown said attention to the problem of the agents in smaller communities should result in a larger membership in the state association, which now includes about 6 percent of the licensed agents in the state.

H. C. Wilson, Wilson & Haight, advertising agency, New Haven, declared that agents might do much to improve the advertising efforts of the insurance companies if they were to form an advertising committee which would study and formulate a report on what agents actually wanted in advertising. He counseled against the negative approach towards sales problems, stating that competition was frequently advertised by excessive zeal in combating competition, thus exciting the curiosity of the buyer. Mr. Wilson expressed his sympathy with the advertising directors of the insurance companies who frequently found their advertising objectives as well as the copy to promote it, emasculated by the time they have run the gauntlet of the actuarial, legal, underwriting, and production departments before finally appearing on the president's desk for approval.

### Oscar Beling's Address

At the morning session, Oscar Beling, superintendent agency assistant department, Royal L. & L. & G., gave his address on "Streamlining an Insurance Agency's Operation." Mr. Beling's address has been reviewed several times in THE NATIONAL UNDERWRITER. It is full of practical suggestions on the technique of agency inside operations.

Four approaches to constructive competition were outlined by Dr. R. H. Blanchard, New York, professor of insurance, school of business at Columbia University.

Retiring President Leonard Whelan was presented a large tray at the luncheon Friday noon. Harold Hatch told Mr. Whelan it was given in appreciation for his two years service as president.

## Arizona President Tells Day's Needs

(CONTINUED FROM PAGE 5)

ings and they should be educational. Owing to the size of the state it is his belief that the adoption of an in and out rule for company representation should be considered.

The association, he contends, should promote an amendment to the workmen's compensation law so that agents can write this kind of insurance. Something should be done to restrict the activities of non-resident brokers, he added. Most of these originate from Pacific Coast territory, he said, and use their premium volume to sell price rather than quality. There should not be, he said, cut rate competition from nationally established brokerage firms. They are able to place their business with companies that are appealing to agents for business.

### Agents Must Justify Existence

President Haldiman said that agents should not be premium solicitors but insurance counselors. The agency business, he declared, is what the agents make it. He said in closing:

"It is the universal opinion of leading agents throughout the country that if the agency system is to last, agents must justify their existence; the standard of agents must be raised to a professional basis, closer relations must be established between company and agent; agents, as the sales force of the company, must have a voice in the formation of company policies affecting their business; policy writing by company branch offices, except in special cases, should be discontinued; the non-policy-writing agents should be forced to broker their business through policy writing agencies at a reduced commission to be agreed upon. We, as the Arizona Association of Insurance Agents, should settle the non-policy-writing agent question once and for all. Remember that the agency business is what you make it. Sincerity of purpose is necessary."

### Cannot Serve Local Agent

The New Jersey supreme court has ruled upon the question of service of process against an insurance company through its agent for writing business. The New Jersey law provides that service of process on a foreign corporation shall be served upon "any officer, director, agent, or clerk, or engineer of said corporation." The court points out that the agent upon whom service was made had his own office, conducted by him at his own expense, and he also represented several other insurance companies, for whom he acted as agent in the procurement of business. It ruled that he was not an agent of the defendant upon whom process could be served, and the service was not good. The case was *Giovannini vs. Hartford Accident*.

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# POINTERS FOR LOCAL AGENTS

## Discussion of Mortgage and Loss Payable Clauses

J. A. Neilan of Columbus, O., state agent of the Norwich Union Fire, in a recent talk took up the mortgage and loss payable clauses. He discussed at first the loss payable clause being less complicated than the standard mortgage clause. He said that the former is designed to supplement and/or comply with the standard policy provisions. Therefore, when properly worded it is generally attached to the fire policies covering personal property to indicate either a provision as to ownership, existence of a chattel mortgage or simply a creditor of the assured to whom the proceeds, if any, under the policy shall be paid. Therefore, Mr. Neilan said it merely amounts to a designation of the person to whom the policy is to be paid in case of a loss and not to an insurance on his own behalf. Speaking further, he said:

### Refers to Joint Decisions

"It is further interpreted in another way, (26 Corpus Juris 273, in part) as follows: The loss payable is not a party to the contract, but merely an appointee whose rights are dependent upon the rights of the insured and a violation by the latter of the conditions of the policy will forfeit the rights of said appointee (N. Y. State Supreme Court Decision). As an example, I would like to recite the following case in which the U. S. Supreme Court at its October, 1931, term, rendered an important decision upholding the validity of the chattel mortgage clause in the standard fire policy: 'This provides that if insured personal property be incumbered with a chattel mortgage, without consent thereto endorsed on the policy, the policy shall be void.' The decision came in an appeal from Ohio, in a case where wool insured in five companies had a chattel mortgage placed on it in favor of a bank, without consent endorsed on the policy, and the mortgage continued in force at the time of the fire.

### To Reduce Moral Hazard

"It was claimed by the insured that the endorsement of a loss payable clause on the policy by the agent was a recognition of the interest of the bank as chattel mortgagee, and that the knowledge of the agent was the knowledge of the company. However, the court held: 'The provision in policies prohibiting chattel mortgages without consent endorsed on the policy is intended to reduce the moral hazard, and is a valid stipulation, the violation of which constitutes a complete defense.' It further declared: 'The loss payable clause is not informative to the insurer of the existence of a chattel mortgage, but performs the office of protecting a creditor of the insured who has no interest in the insured property by mortgage or otherwise against the eventuality of fire loss.'

"In view of the recited decisions it is important that the agent furnish full information on loss payable clause to the insurer and familiarize himself with the difference between what is termed a 'standard mortgage clause' and the so called 'loss payable clause' or clause appointing a third party to receive the proceeds of the policy, in the event of loss, as interest may appear. It should be borne in mind that the 'loss payable clause' does not give to the loss payee any advantage over the insured and that both interests are subject to the standard conditions of the insurance contract.

"When a so called 'standard mortgage clause' is made a part of the standard fire contract, we have an entirely different picture. It has been held by the courts of most states, with some variance (fraud excepted), that its attachment creates an independent contract in favor of the mortgagee under which he may collect the full amount of loss, the amount of mortgage or the amount of the policy, whichever happens to be the least. This is equally true if junior mortgage interests are insured under policies with mortgage clause attached in favor of their interests only. In Ohio, no supreme court decision has been rendered involving the point, but it is not improbable that a decision may be rendered in line with the decisions of other states. Therefore, in the absence of a decision in Ohio, it is well that the companies be guided by the action of other state courts.

### Should Be Written Correctly

"Now then if a separate contract is created by the attachment of a standard mortgage clause to the fire policy, let us by all means insist upon the policy being written correctly. If the interest of the mortgagee is a first mortgage so indicate on the clause, and if a junior or lesser mortgage is also involved, be sure such interests are all shown on the one mortgage clause and if you please in the order of their priority:

"A suggestion for wording a clause involving first and junior mortgagees is as follows: 'Loss or damage, if any, shall be payable to John Doe, first mortgagee as interest may appear, and after the satisfaction of the first mortgagee, remainder if any then to Paul Brown, second mortgagee, as interests may appear,' etc.

"Another method of insuring mortgage interests where more than one mortgage is involved and generally acceptable to the companies is to attach a standard mortgage clause in favor of the first mortgagee and the simple loss payable clause in favor of junior mortgagees.

### Mortgagee Enjoys Advantage

"In many cases where liability under the fire policy is denied as to the assured or mortgagor, due to breach of contract, etc., most courts have held, with some variance, of course, that under the mortgage clause the mortgagee's interest under it is not so affected and continues in force and effect. Therefore, the mortgagee enjoys a considerable advantage over the assured or mortgagor under the contract, the mortgagee has practically a no conditioned insurance policy. Let me read to you what the late W. N. Bament, general adjuster of the Home, said in an address on this subject: 'It has been the aim of insurance companies to meet the peculiar requirements of these mortgagees in respect of insurance, by giving them special forms of contract, exceedingly liberal in their terms, and in so doing they have in some instances gone to unreasonable lengths and far beyond what was originally contemplated in protecting said interests. And in the light of the interpretations which have been placed upon the provisions in favor of the mortgagee, it will be perfectly safe to say that, if there is a more highly favored party to any contract than a mortgagee under a policy of fire insurance, he has not yet been discovered. Whenever he has asked he has

received, whenever he has sought he has found, and whenever he has knocked it has been opened unto him either by the insurers themselves or by the courts, for what the former have omitted, the latter have supplied.'

"In the majority of losses and under usual conditions, the companies do not have difficulty even though the policies are not written covering the same interests. The trouble lies in the fact that there are losses which prompt the company to take the position that there is no liability to the mortgagor or owner. It is under this circumstance that the separate mortgage contracts become of serious moment.

"As an example: Assume a policy for \$10,000 covers a building of that value with two separate mortgage clauses and each mortgage of \$10,000. The building is totally destroyed and the owner is convicted of arson in connection with the fire. The first mortgagee having a separate contract, his security being lessened by \$10,000, the company is obliged to pay him that sum. The situation is identical as to the second mortgagee, he also having a separate contract. Therefore, although the company has been paid a premium for \$10,000 insurance, it may, nevertheless, be obliged to pay out twice that sum or \$20,000. That is the reason why the attachment of separate mortgage clauses to a policy is bad underwriting practice and many companies refuse to approve a policy so written.

"Not very long ago in another jurisdiction the matter of securing an increase in rate on policies carrying mortgage clauses was considered. Due, however, to the vast amount of mortgaged properties and the theory that the mortgage clause does not increase the physical hazard, but only the moral hazard for which a rate has never been devised, the matter was dropped.

### Contribution Feature

"Now then as to the contribution feature, it is estimated that less than 10 percent of policies bearing mortgage clauses are written with the contribution clause. The full contribution clause provides that the policy shall contribute with all other insurance regardless of what other interest may be covered by such other insurance. That is a very harsh provision for a mortgagee; for if it is enforced according to its wording, then the mortgagee may find his loss cut down by insurance of which he has no knowledge, and over which he has no control. In other words, if the clause is strictly enforced, then the mortgagee may never know how fully he is protected until the loss happens and all insurance is disclosed. Courts have recognized this hardship and have sought ways to avoid it, by different decisions concerning the clause. In two decisions it was held the clause meant what it said; but two other cases held that it meant full contribution with all other insurance covering only the same interest.

### Based on Separate Contract

"Generally speaking, a company with a mortgage clause containing the full contribution provision is not benefited thereby. Nor is the result different when because of non-liability through the owner, claim is made by the first or junior mortgagees. The liability to each is based upon the separate contract created by the mortgage clause.

"That there is perhaps some benefit to be derived by including the contribution provision in the mortgage clause is indicated by a New Jersey case decided in September, 1933, where the absence of the contribution provision resulted in a dicta (opinion only) by the court, as follows: 'Even though there were several policies with identical mortgage

## SALES IDEAS OF THE WEEK

### Boiler Insurance for Rural Schools

Rutherford Fleet, Jr., field assistant of the Travelers at Richmond, Va., brings out the following points in selling boiler insurance in rural and small town schools:

1. Sell guaranteed inspection service which will (a) reduce the possibility of an accident, because the engineer will find defects or mechanical faults which, if attended to immediately, will not cost much to repair and at the same time prevent accidents; (b) reduce the cost of operation by the same token, because our engineers are experts and know the cheapest method of efficient operation.

\* \* \*

2. If because of failure on the part of the equipment there occurs an explosion of the boilers, the company will, subject to the amounts specified in the policy, (a) first, pay for loss to boiler and property; (b) pay the insured for certain expediting items, if covered; (c) second, pay for loss to property of others for which the insured may be liable, including loss of use of such property; (d) third, pay for personal injuries if this coverage is included in the policy and if there is liability.

\* \* \*

3. If the board has bought insurance in a standard company with efficient inspection service, it has done all within its power to prevent an accident with the resultant loss of life and property. If, on the other hand, it has not done this, there is every indication that there might be criticism of its failure. (This aspect of the matter must be diplomatically presented.)

### Cover Residential Glass

Many agents are now attaching an endorsement to a standard plate glass or residence burglary policy or to a liability policy covering a private residence with an extra premium for \$2 covering all glass in the house. The rate for three years is \$5. All glass is covered except that in conservatories and that of special manufacture or having an individual value of more than \$50. Such glass must be listed in the endorsement with a specific amount of insurance at regular rates.

### Leatherope File

Many agents are using the leatherope policy file Nos. 98 and 99 sold by THE NATIONAL UNDERWRITER. This file has an exceedingly tough texture and yet it is lightweight. It is a popular advertising medium for general distribution. Its capacity is from six to eight policies. No. 98, which is 9 3/4 by 4 1/2, sells at 40 cents for 12; \$1.65 for 50; \$3 for 100; \$14 for 500. No. 99 (10 1/2 by 4 1/2) prices are: 12 for 50 cents; 50 for \$2.00; 100 for \$3.75; 500 for \$17.75.

clauses, the mortgagee could elect to collect up to the amount insured, the entire loss from any one or more of the companies involved, their only recourse being the right of subrogation.

"It is well to remember that under the standard mortgage clause the mortgagee secures a contract that the owner or mortgagor can not secure at any price."

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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Turn Salvage Corps Over to City Departments

The committee on fire prevention and engineering standards of the National Board through its special patrol committee has approved the plan for discontinuing the fire patrols or salvage corps operated by the local boards in Minneapolis, St. Paul and Duluth. The activities will be transferred to the municipal fire departments by April 30 next. The city officials have given assurance that the work of the fire departments will be enlarged to include salvage operations. The patrol headquarters owned by the Minneapolis Board may be transferred to the city or sold and the proceeds applied to the account of that patrol for payment of allowances to employees who have reached retirement age. In order to meet expenses incident to discontinuance of the independent salvage operations and to provide equitably for the personnel, a final assessment of 2 percent on 1938 premiums will be recommended. It is expected that the immediate saving effective in 1940 will be approximately \$65,000 a year and that the ultimate saving will be about \$80,000 a year.

### Governing Committee to Meet

LANSING, MICH.—The governing committee of the Michigan Association of Insurance Agents will meet here Dec. 6 with the new and enlarged membership committee. Plans were made at a conference here by Martin Mullally, Muskegon, president, and W. O. Hildebrand, secretary-manager. It was agreed that Mr. Hildebrand will assist each of the 15 regional members of the governing committee to choose a membership committee representative from his district. The association at the Muskegon convention divided the state into 15 districts, each represented on the governing committee. Formerly there were only 11 districts so the increase also augmented the committee membership.

### Minneapolis Football Luncheon

MINNEAPOLIS — Football will be discussed at the luncheon meeting of the Insurance Club of Minneapolis on Nov. 14. Marsh & McLennan will sponsor the program.

### Boss Night in Minneapolis

MINNEAPOLIS—"Boss night" will be observed by the Minneapolis Insurance Women's Association on Nov. 21. Following a dinner a talk will be made by John H. Hauschild, president of the Charles W. Sexton Co. Employers of the girls will be guests.

### To Give Cincinnati Talk

CINCINNATI—H. J. Manning, chief engineer in charge of classification department Ohio Inspection Bureau, Columbus, will explain to members of the Cincinnati Fire Underwriters Association Nov. 10 requirements of the bureau for better classification of unincorporated districts. As of Oct. 1 the bureau issued a new classification sheet showing lower classifications for certain districts and townships in Hamilton county, covering public fire protection of unincorporated districts.

### Development Meet at Niles

Fred H. Reiss, Employers Fire, Cleveland, and Fred C. Wolf, New York Underwriters, Cleveland, are chairman and vice-chairman for the Business Development meeting to be held in Niles, O., Nov. 15, in connection with the in-

spection of that city by the Ohio Fire Prevention Association. B. O. Evans, Glen Falls, will speak on "What Every Insurance Buyer Should Know about Fire Insurance" and C. H. Garbutt, America Fore, will discuss "Behind the Scenes of Fire Insurance." Fire insurance men from Trumbull and Mahoning counties have been invited to attend the meetings. There will be a joint dinner.

### Dayton Revising Building Code

Dayton, O., is revising its building code. A committee of architects and builders conferred with Chief Engineer Bond of the National Fire Protection Association. The Dayton chamber of commerce is taking an active part and reports success in its campaign for better fire protection facilities for outlying annexed parts of the city. A \$350,000 fire department levy has been approved.

### Cleveland Revision Nearly Ready

CLEVELAND—Committees of the Insurance Board of Cleveland, together with its board of trustees, have been working on a revision of the rules for several months and hope to have them completed for submittance to the full membership, possibly at a meeting Nov. 30. The revision was made necessary following the April meeting, when membership requirements were changed to take care of the situation resulting from the withdrawal of fire branch offices here. Fundamental changes were made first and then the complete revision of regulations was undertaken.

### Bates Is Acting Deputy

Ray S. Bates, legal examiner of the Ohio department of insurance, is serving as acting deputy superintendent of insurance, taking the place of L. B. Blakemore, who resigned. It is not believed, in view of the fact that the present administration has only about two months to serve, that anyone will be appointed to take Mr. Blakemore's place. Mr. Blakemore was badly injured several months ago in an automobile accident in New Mexico.

### Life Man Wichita Speaker

WICHITA, KAN.—Kenneth C. Fitch, a vice-president of the Top Club of the New York Life, with the Wichita office, was guest speaker at the Wichita Insurors meeting, discussing sales methods which apply to insurance in general. Victor Henry, vice-president and chairman of the executive committee, outlined plans for local publicity in connection with the Kansas Business Development program. Preliminary plans for the annual Christmas party were announced, with A. E. Smoll as chairman. Office employees and friends of the board and its members are to be guests.

### Ask Rural Electrification Data

MINNEAPOLIS—Minnesota agents are being asked again to furnish the Minnesota Association of Insurance Agents with approximate figures on insurance they have written on rural electrification projects. The association calls attention to the possibility that the REA will adopt a plan under which borrowers will be required to arrange for their insurance before making formal application for federal money instead of after receiving a government loan as at present.

"The work of the borrowing agents and the administration would be simplified," an association statement says, "and the new methods would give the

local agent the opportunity of going after the business."

F. V. McGovern, Rochester, is chairman of the rural agents' committee of the state association.

### Indiana Golf Winners

Golf tournament winners at the French Lick annual meeting of the Indiana Association of Insurance Agents were: Low gross, Glen B. Woodward, Bloomington, with 81 for the hotel trophy, and F. P. Davis, Travelers, with 79 for the field men's prize. Five blind par prizes for agents were taken by John J. Block, East Chicago; C. R. Love, Kokomo; J. F. Conner, Evansville; A. W. Jenkins, Richmond, and C. M. White, Bloomington.

### Minnesota Committee to Meet

MINNEAPOLIS—Several important matters will come before a meeting of the executive committee of the Minnesota Association of Insurance Agents here Nov. 10. At the annual meeting in September the association went on record in favor of a change in the methods of assessing dues. The executive committee also was asked to consider the advisability of employing a full-time secretary and this may be taken up.

### New Form Is Filed

MILWAUKEE—A new uniform standard Wisconsin dwelling form No. 49, differing in certain respects from forms now in use, has been filed, including the provision of coverage that not to exceed 5 percent of the amount of insurance on a dwelling automatically extends to barns, garages and outbuildings on these same premises. This form already is in use in other states.

### Plan 75th Year Celebration

MILWAUKEE—Directors of the Milwaukee Board have decided to observe its 75th anniversary. Val Gottschalk, president, announced program arrangements have been placed in charge of A. S. Walsh, Chris Schroeder & Son agency, general chairman. He will select his committee.

Tentative plans call for an informal banquet and entertainment to be held in January after the holidays, the date and place to be announced later. Invitations will be extended to members and solicitors of the board, company executives, field representatives, members of other local boards and state associations.

### Form New Ionia Local Board

IONIA, MICH.—The Ionia Association of Insurance Agents, a new local board, has been formed here as a result of an organization meeting attended by W. O. Hildebrand, Lansing, secretary-manager Michigan Association of Insurance Agents.

Officers are: President, W. P. Brogan; vice-president, Thane Benedict, Jr., Wardle Agency; secretary, James Hilton, Hilton-Cooper Agency; treasurer, Russell Voelker. Mr. Hilton and William Harwood of the R. W. Mackey agency were chosen to a committee to draft a constitution and by-laws.

The board's membership is coextensive, 100 percent, with the Michigan association.

### Case Names Kansas Committees

Alex Case of Marion, new president of the Kansas Association of Insurance Agents, has announced his committee appointments. Chairmen are: legislative, Sam H. Reynolds, Kansas City; membership, Webb Woodward, Topeka; business development, H. N. Fullington,

Wichita; rural agents, Joe Haynes, Clifton, and Victor Henry, Wichita; state insurance, Will S. Thompson, Hutchinson; conference, Elmer C. Beezley, Wichita; grievance, A. E. Smoll, Wichita; safety education and fire prevention, T. M. Fergus, Eldorado.

### Hull Returns to Office

Special Agent George H. Hull of Hull & Co., general agents at Fargo, N. D., has returned from New York City where he attended a six weeks casualty and surety school at the home office of the American Surety. During his trip east he visited the home offices of companies represented by Hull & Co., in New York, Manchester, N. H., Portsmouth, Chicago, Milwaukee and Minneapolis.

### Wichita Women Hear Freese

WICHITA, KAN.—The Insurance Women of Wichita had George E. Freese, special agent St. Paul Fire & Marine, as speaker. President Berneda Faulk of the Dulaney, Johnston & Priest agency presided.

### Milwaukee Veteran Dies

John M. Schneider, 73, president J. M. Schneider & Son Co., Milwaukee local agency, died at his home there. He was a member of the Milwaukee Board for more than 40 years. He also served for 25 years as president of the Catholic Family Protective Life Assurance Society and was a director at the time of his death.

### Quinn in Midwest

E. M. Quinn, superintendent of the general coverage and brokerage department of the Commercial Union companies at the New York office, is visiting the middle west territory and was in Indianapolis Monday with the field men of his companies, D. D. Fitzgerald, J. J. Ronayne and W. L. Jones.

### T. A. Fleming Speaks

T. A. Fleming of the National Board spoke before the joint dinner of the Kansas City Insurance Agents Association and the Kansas City Association of Credit Men this week.

### Kansas Mutuals' Meeting

The Kansas State Association of Mutual Insurance Companies held its annual convention in McPherson this week. The two-day program was preceded by group meetings of field men and company executives. Secretary E. C. Mingenbach of the Farmers Alliance president, presided at the sessions. A. V. Gruhn, general manager American Mutual Alliance, Chicago; H. P. Cooper, secretary National Association of Mutual Insurance Companies, Indianapolis, Commissioner Hobbs of Kansas were the headline speakers, in addition to a large number of officials of member companies.

### To Continue Safety Program

BATTLE CREEK, MICH.—The Battle Creek Association of Insurance Agents has decided to continue and broaden a safety program conducted the past year and to engage in some cooperative advertising. W. O. Hildebrand, state association secretary-manager, discussed some local problems with the board members.

### Cleveland Society's Courses

CLEVELAND—The Insurance Society of Cleveland has started the new season's Insurance Institute courses. In charge of the classes are: Fire, Vincent

De Melto, Ohio Inspection Bureau; casualty, John Parks, Royal Indemnity; surety, Gerald De Marinis, Fidelity & Casualty.

This year the enrollment has shown a marked increase, and the student body is showing great interest, the attendance at the classes maintaining a high standard. Several new reference books have been made available to the stud-

ents through the library of the Cleveland Insurance Board. A library fund has been created by members of the board from which new books will be purchased from time to time.

Officers of the society are: Frank E. Greene, president; Irwin Freiburger, first vice-president; G. M. De Marinis, second vice-president; G. E. Frankel, secretary; John A. Kysela, treasurer.

## IN THE SOUTHERN STATES

### Amicable Meeting in Oklahoma City

OKLAHOMA CITY—A conference between a special committee of the Western Underwriters Association and the Oklahoma City Insurers Exchange last week was highly successful, resulting in the company men pledging their members to cooperate entirely in the elimination of unethical practices that have been brought to their attention by the local people. The company committee agreed to bring their agency operations within the provisions of the state laws and so far as Oklahoma City is concerned within the rules of the exchange. The committee further promised that its members would discontinue having representatives in Oklahoma who fail to maintain an office and write and countersign their own policies and thus bring their organization up to the standards required to place them in the class of policy writing agents.

President H. J. Heiman explained that there is no law in Oklahoma governing brokers, but a large number are operating in the state. The statutes authorize only two kinds of people selling insurance, the first being the policy writing and countersigning agent and next, the soliciting agent. The solicitor, according to the requirements, must be in the sole employ of an office with a policy writing agent or maintain one devoted exclusively to writing insurance. Many are writing insurance in the state, it was claimed, who do not conform to these requirements and, therefore, are not legally soliciting agents. Inasmuch as there has been considerable confusion and competition has been severe some companies have gone astray in their appointments, it was said.

The Oklahoma agents complained chiefly of what they termed "illegiti-

mate agents. They pointed out appointments that should not have been made in their opinion saying that two or three general agents were chief offenders, this bringing on retribution on part of field men who felt that they must keep up with the procession. It was stated that the appointments complained of consisted of those that were made in order to get the commissions on insurance on some property. They were not regularly in the insurance business.

The W. U. A. committee informed the local agents that the members were in sympathy with what the local boards are trying to do. It was pointed out that the companies could not effect reforms alone, but that there must be cooperation between agents and companies. The fact that the committee visited Oklahoma City left an excellent impression on the agents who felt after their conference that the companies were their friends and desired to do everything possible to assist them in the cause.

### Alabama Fund Suffers Heavy Loss in Year

Losses suffered by the Alabama state insurance fund in the fiscal year ended Sept. 30 were "unusually heavy, not only because of abnormal frequency but on account of several major occurrences," it is shown in a report submitted to Governor Graves by C. B. Rogers, president state board of administration, who has custody of the fund.

Losses for the year totaled \$320,177, being: School buildings \$263,558; Wetumpka prison tuberculosis hospital \$13,500, other prison properties \$15,542; tornado damage to Searcy hospital \$19,506. The state carries its own coverage on most properties, but some of it is reinsured with stock fire companies.

### S. E. U. A. Meets Nov. 30

The semi-annual meeting of the Southeastern Underwriters Association will be held Nov. 30 at Pinehurst, N. C. An attendance of probably 150 is expected, as a number of important matters will come up for attention.

### Virginia Regional Meetings

The Virginia Association of Insurance Agents, which recently mapped out a program for a series of regional meetings throughout the state, staged its first November meeting in Petersburg with agents in attendance from several nearby points. J. Davis Ewell of Richmond, state president, presided. Talks were made by O. H. West, state association manager; Roger Clarke,

Fredericksburg, past state president; Rieves Hodnett, Martinsville, chairman membership committee, and A. J. McDavid, state agent New York Underwriters, representing the Stock Fire Insurance Field Club of Virginia. That evening another meeting was held at Newport News with Hampton, Phoebus, Smithfield and Williamsburg also represented. Meetings will be held on Nov. 21 at Alexandria and Fredericksburg. It is planned to organize a local board in Fredericksburg.

### Orlando Agents Elect

ORLANDO, FLA.—The Orlando Insurers Association elected these officers: President, R. A. Duckworth; vice-president, W. A. Cooper; secretary, R. A. Vergow; treasurer, Robert Carr. The board has 26 member agencies, all in the state and National associations.

### Plans Drawn for Future

The first monthly luncheon of the Atlanta Association of Insurance Agents, Nov. 9, since the annual meeting in September, last, drew interesting plans for the future. Following the meeting President R. L. Ellis was expected to announce his new committees.

### Menard to Be in South

NEW YORK — A. R. Menard, assistant director Business Development Office, plans to be in Alabama the week of Nov. 14 when he will speak in three cities before joint regional gatherings of field men and local agents. Later he is scheduled to address a series of regional meetings in Mississippi, and subsequently will be on the speakers' program of the semi-annual meeting of the Arkansas Association of Insurance Agents at Little Rock Dec. 8. Should time permit between the Mississippi and the Arkansas gatherings, he may run over into Oklahoma for a brief survey of the situation there.

### Start Miami Lecture Series

MIAMI, FLA.—Local agents of Miami, under the direction of the Greater Miami Board, have begun a series of lectures and discussions on topics of importance. The first was on compensation by Thomas Thompson, Ocean Accident and Columbia Casualty, New York. President Buchanan of the local organization presided. On Nov. 23 D. L. Royer, chief engineer of the Ocean, will discuss steam boiler and electric machinery coverage. The state association is represented by Secretary A. C. Eifler.

### Opens New Orleans Office

The First Bancredit Corporation has opened a New Orleans office in the Maritime building, with H. P. Mulkey in charge. He formerly was with the Atlanta office of First Bancredit.

### Carter Is Richmond Speaker

RICHMOND, VA.—B. P. Carter, manager for a group of fire companies, spoke before the Insurance Exchange of Richmond on "Consumer Cooperatives." This was the first of three meetings arranged by the exchange for addresses on topics of timely interest to stock agents. Similar meetings will be held in December and January. The purpose is to emphasize the value of stock insurance and how to meet non-stock competition.

### Southern News Notes

Ralph Tolson, local agent at Pawhuska, Okla., sustained a fractured leg while duck hunting.

John L. Allen and O. A. Garner, local agents of Okmulgee, Okla., have formed a partnership and opened a new agency.

J. H. E. Jephson, local agent at Alvin, Tex., for 25 years, died in a Houston hospital.

The Richard Gill Company of San Antonio has opened an office in the Norwood building, Austin, Tex., under the direction of Glenn E. Lewis.

## COAST

### New Surplus Line Setup Is Considered in Oregon

PORTLAND, ORE.—Commissioner Earle, in addressing Oregon licensed surplus line agents, said he had always considered the best governed are the least governed. He feels that a good many abuses of the Oregon code in connection with placing insurance with non-admitted carriers could be corrected by surplus line agents themselves.

G. W. Haerle of Sexton & Co. reported on the California association setup, followed by a general discussion of such organization, its advantages and disadvantages.

It seemed to be the consensus that the organization could well undertake an effort to liberalize the Oregon law, and control the placing of insurance on non-admitted lines, somewhat along the lines of California law.

A committee of five was appointed to report including Ferry Smith, Dooley & Co.; Julius Finke, Swett & Crawford; John Bank, local agent; James Harley, Cravens, Dargan & Fox, and H. V. Lacey, Phil Grossmayer Company.

### Oregon Group Changes Name

PORTLAND, ORE.—Oregon Insurance Agents Association is now the official name of the local agents' organization, formerly known as the Oregon State Agents Association. It was felt that the new name more accurately describes the organization.

### T. A. Fleming in Portland

PORTLAND, ORE.—T. Alfred Fleming, head of the conservation department of National Board, was guest speaker at a meeting of the Portland Credit Men's Association.

### Long Beach Agents' Party

The Long Beach (Cal.) Agents Association will hold its annual banquet Nov. 18, with a golf contest preceding the dinner, and a floor show to follow. The committee in charge is headed by H. M. Hubbard.

### Takes Over Bank Agency

The insurance department of the Phoenix Savings Bank & Trust Company, Phoenix, Ariz., has been taken over by the Phoenix Insurance Agency, a wholly-owned subsidiary of the trust company. Stewart Stanley, Joplin, Mo., will be the manager of the reorganized agency. Logan Blake will be assistant manager.

### Blair With Swett & Crawford

Ralph M. Blair, formerly with T. J. Corkery & Co., Spokane, has joined Swett & Crawford as special agent in the Seattle office.

### Expands Fresno Office

The San Joaquin Valley service offices of the Fireman's Fund group in Fresno, Cal., have been moved to larger quarters and a claims department has been added, in charge of E. L. Beggs, automobile and casualty adjuster. Floyd Lobree and S. N. Wilson are the fire special agents located in the office and Frank Andrews will have charge of casualty and automobile business production.

### Credit Cooperation Advanced

SAN FRANCISCO—Further progress in the development of cooperative relations between Pacific Coast credit managers and the insurance fraternity is believed to have resulted from the joint meeting of the Credit Managers Association of Northern and Central California and representatives of the insur-

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ance business, at which T. A. Fleming, conservation supervisor National Board, was the principal speaker. Mr. Fleming cited many instances where insurance could have saved credit and businesses involved in fires.

#### Fire Chiefs' Conferences

Two conferences of California fire chiefs were held recently, one for those in the southern part of the state at Pasadena and a conference for northern chiefs at Stockton. T. Alfred Fleming, supervisor of conservation National Board, was a speaker at both conferences.

A testimonial dinner was given at Fresno to honor W. R. Williams, Fresno fire chief, newly elected president of the Pacific Coast Fire Chiefs Association. Jay W. Stevens, state fire marshal, was toastmaster. More than 500 attended.

#### Heavy California Losses

SAN FRANCISCO — Two heavy fire losses struck the business Monday when the McCloud River Lumber Company plant and stock at McCloud, Cal.,

was badly damaged with destruction of kilns, crane sheds and 15,000,000 feet of lumber. Loss is estimated by Fire Companies Adjustment Bureau at between \$500,000 and \$750,000 on a \$6,000,000 schedule. The other loss was at the plant of the General Box Company, San Jose, where stock and equipment destroyed or badly damaged is put at between \$75,000 and \$100,000. The latter risk was written under provisional cover.

#### Rate Adjustments Discussed

DENVER—Walter Kulp, manager Mountain States Inspection Bureau, is back from Chicago, where he discussed with the Western Actuarial Bureau a request made at the annual meeting of the managing committee of the inspection bureau for an adjustment of windstorm and hail rates to compensate for the difference in hazards between the mountain states and the middle west. He also took up other recommendations made at the managing committee meeting. Any changes that are to be made will not be announced until the new rule book is published the first of the year.

## EASTERN STATES ACTIVITIES

### Fire Man Addresses Real Estate Agents

PITTSBURGH—Fire insurance is a necessity in connection with improved real estate, R. F. Miller, manager Allegheny county department National Union Fire, told the Pittsburgh Real Estate Board at a meeting. About 60 percent of all real estate, he said, is encumbered by mortgages, which demand the protection of fire insurance. It stands behind the entire credit system.

"Creditors rely on its protection," he said. "The necessity for stable, reliable, well managed and efficient fire insurance is quite as vital to the home and business life as sound banking or undebased currency. The real estate business would be considerably different today if it were not for fire insurance, for with the exception of a few individuals or firms who had sufficient funds to build for their own use, it is doubtful if individuals, financial houses or lending institutions would invest their funds in improvements to real estate if they were not assured of the additional collateral which fire insurance provides.

"I believe that is only the starting point, or should be. Some real estate offices seem to handle fire insurance as a part of their equipment merely because they find themselves almost forced to do so in order to complete certain deals. Even though the relationship exists, it is questionable whether it is often given the importance it deserves. I believe I am correct in saying that most real estate transactions are consummated on a 5 percent or less fee, whereas most fire insurance commissions on coverages applicable to real estate vary from 20 to 30 percent.

#### Urges Selling Other Lines

"I believe each one of you have many opportunities to present to your clients not only fire insurance protection, as that is so often almost automatically made a part and parcel of a deal, but also many other types of protection that many prudent purchasers of insurance consider equally important. In addition to suggesting and/or providing more complete protection to your clients, and perhaps that may especially apply to rental or management accounts, where you assume either a direct or an implied responsibility to look after and protect the interest of a client, you can also protect your own interests as well as the reputation of your office and at the same time increase your commissions.

There again a real estate agent has an opportunity to render a distinct service through insurance which further makes the relationship quite apparent. Many authorities believe full protection just as essential to good management as keeping a property in good repair or many other things that are conceded as being necessary."

Mr. Miller pointed to the fact that little windstorm or extended coverage was in effect in the area struck by hurricane recently in New England.

He urged also sale of rents and rental values coverage and miscellaneous fire lines.

### Eminent Speakers at Rochester Rally

The Rochester (N. Y.) Underwriters Board will give a dinner Nov. 15 at the Seneca Hotel, Superintendent Pink being the guest speaker. Other speakers will be Vice-president G. S. Van Schaick, New York Life, formerly New York insurance superintendent; Larry Daw, manager New York Fire Rating Organization at Syracuse; Col. H. P. Dunham, vice-president American Surety. Other invited guests are R. M. L. Carson, Glens Falls, president New York State Association of Local Agents; J. W. Rose, Buffalo, secretary, and Warren E. Day, Syracuse, vice-president; also Ed A. Murphy, Rochester, president New York State Life Underwriters Association; John L. Thompson, president New York State Insurance Federation and L. L. Saunders, federation secretary.

#### Women Get the Awards

Scholarship awards, offered by the Underwriters Club of Philadelphia to the two honor students in the first year fire course at the Insurance Society of Philadelphia, have been awarded this year to Miss Patricia J. McCaffrey, of the Wagner-Taylor Company, with a general average of 91, and Miss Eleanor A. Temple, of Chase & Heckman, with a general average of 90.5. These scholarships have been awarded for several years to the two highest students.

#### Apartment Rates Reduced

NEW YORK—Rates on specifically rated apartment buildings between 10,000 and 20,000 square feet were ordered reduced by the New York Fire Insurance Exchange at its meeting Wednesday, operative as of Sept. 1. Manager H. H. Hess is to publish a list of the buildings affected. The rules were

amended to include interest hazards in properties for the nominal additional charge of 7 mills. The Exchange approved the transfer from the arbitration or grievance committee to a newly constituted brokerage committee of complaints against brokers and appeal by brokers from revocation or separation decisions.

#### New Company in Baltimore

The First National Insurance Company at 813 North Charles street, Baltimore, which has been chartered, is a mutual company with R. F. Cummings, Morris Yaker and Otto H. Rosenberg as incorporators. The capital stock is fixed at 100,000 shares at a par of \$1 a share. It authorizes it to conduct a business especially insuring automobile and other property and to write other allied lines within the scope of fire and inclusive of property damage. Israel Siegel at 1813 North Charles street, is the resident agent.

#### Andrews Named President

TRENTON, N. J. — Charles F. Andrews has been elected president of the Mercer County Association of Insurance Agents with Frank R. Zelly as vice-president and Joseph Fleming, secretary-treasurer, all of this city. The executive committee is composed of Scott Fell, J. R. Stricker, W. F. Turner and W. J. Waldron.

#### Camden Agents Meet

CAMDEN, N. J. — At a luncheon meeting of the Camden County Association of Insurance Agents speakers included H. Donald Holmes, president, and W. F. O'Brien, secretary and treasurer of the New Jersey Association of Underwriters. President W. B. Hambleton presided.

#### Bank to Finance Premiums

CAMDEN, N. J. — The Camden Trust Company has announced that it has widened its banking facilities to include the financing of fire and casualty insurance premiums.

#### Plan Somerset Group

BOUND BROOK, N. J.—T. Sanford Van Syckel, vice-president of the New Jersey Association of Underwriters, reports a new insurance association is being planned for Somerset county. A meeting will be held this month attended by officials who will explain the advantages of an organization.

#### Hartford Institute Lectures

HARTFORD—F. B. Merrels, assistant manager Travelers casualty claim department, will lecture on "The Benefit Schedules of the Compensation Laws," Nov. 17 in the casualty course of the Insurance Institute of Hartford. E. S. Gledhill, Travelers, casualty vice-president of the institute, will preside. In the inland marine section, Lewis E. Day, marine superintendent Phoenix Fire, spoke on "Inland Marine Underwriters Association—its Origin, Purpose and Operation." F. B. Wrecks, general agent Aetna Fire and inland marine vice-president of the institute, presided.

#### Hear Trust Official

WORCESTER, MASS.—The Board of Underwriters here was addressed by President G. A. White of the Worcester County Trust Company at a luncheon meeting.

#### New Hampshire Ruling

Commissioner Rouillard of New Hampshire reverses his decision "that any loss by a fire company which involves more than \$100 comes under our 45-day law (chapter 27, section 11) and that permission must be granted the company by this department in order for it to pay such a loss."

He says now: "We now rule that this section applies only in event that

there is a loss or damage by fire in excess of \$100."

#### Keith Named Manager

BOSTON—R. C. Keith was appointed manager of the Boston office of the New England Acceptance Corporation. He has had considerable insurance experience.

## MARINE

### I. M. U. A. Approves Three-year Term

The concession to member companies of making it permissible to issue jewelry-fur floaters on three-year term basis and to schedule jewelry and furs in the three-year term personal property floater has been made by the Inland Marine Underwriters Association, effective Nov. 5. Inland marine men say this action meets the competition of mutuals and nonconference companies. It does not, however, they say, go quite far enough in one direction, but they anticipate further drafting of rules in this particular.

The one objection to the promulgation is that in scheduling furs under the personal property floater, it becomes necessary to apply the rules and rates applicable to fur floaters at the rate of \$2.50 per \$100, whereas assured can secure cover separately under the furs' customers' fur policy at \$1. This is an inconsistency so apparent that the men in the field feel sure it will be corrected.

#### Credits Are Allowed

The I. M. U. A. under its new rule permits a credit of 15 percent of the present annual rate on annual jewelry-fur floaters. Three year policies may be written on this form at three times the annual rate and minimum premium less 16% percent credit.

These credits are not overlapping, a fact which has caused some misunderstanding among agents and brokers in

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Firemen's Fund Ins. Co., American Insurance Co., Bankers Indemnity Ins. Co., Globe Indemnity Co., Continental Casualty Co., London Guarantee & Accident Co., Ltd.

### BUSHNELL, BURGESS, FULTON & CHANDLER

1250 Terminal Tower Bldg.  
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Metropolitan Life; Medical Protective; Hartford Accident; Western Ins. Co.; Columbia Casualty; Ocean Accident; Maryland Casualty; Trinity Universal.

### JOHN H. McNEAL

and  
HARLEY J. McNEAL

502 Auditorium Bldg., 1367 E. 9th St.  
Phone Main 1928 CLEVELAND

Attorneys-at-Law

Facilities for Investigations, Adjustments and Trial work over Northern Ohio.

### MARSHALL, MELHORN DAVIES, WALL & BLOCH

1022 Spitzer Building  
Toledo, Ohio

## OKLAHOMA

### Rittenhouse, Webster & Rittenhouse

6th Floor—1st National Bank Bldg.  
Oklahoma City, Okla.

Specializing in defense fire, surety, casualty and life companies.

## OREGON

### DAVID B. EVANS

220 Miner Bldg.  
Eugene, Oregon

Representing: Aetna Group; American Auto; Hartford Accident; Maryland Casualty; Pacific Indemnity; Travelers; U. S. F. & G. and many others on request. Equipped for investigations, defense of insurance claims in state and federal courts

### DEY, HAMPSON & NELSON

800 Pacific Building  
Portland, Oregon

Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

### HICKS & ADAMS

515 Pacific Building  
Portland, Ore.

Equipped for investigations, adjustments, defense trial work in State and Federal Courts for this territory.

## INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### PENNSYLVANIA

#### THORP, BOSTWICK, REED & ARMSTRONG

Grant Building  
Pittsburgh, Pa.  
Seaboard Surety Co., American Surety Co. (Pittsburgh office), U. S. Fidelity & Guaranty (some cases), others on request.  
Investigations.

### SOUTH CAROLINA

#### THOMAS-LUMPKIN & CAIN

1009-7 Central Union Building  
Columbia, South Carolina  
Specializing in Fire, Casualty, Surety and Life.  
Trial of all cases.  
Equipped for investigations and adjustments all over South Carolina.

### TENNESSEE

#### MANIER & CROUCH

Baxter Bldg.—216 Union Street  
(Entire 4th Floor)  
Nashville, Tenn.  
Preferred Accid.; U. S. Guaranty; Fireman's Fund; Aistate; St. Paul Mercury; Utilities Ins.; Employers Reinsurance; Central Surety; many others. For clients who have no local adjusters, we investigate, adjust claims as well as handle legal work anywhere in Middle Tennessee.

### TEXAS

#### BROMBERG, LEFTWICH, CARRINGTON & GOWAN

Magnolia Building  
Dallas, Tex.  
Representing New Amsterdam Casualty; Standard Surety and Casualty; St. Paul Mercury; American Automobile; Ohio Casualty; Western Casualty and Surety; General American Group. Others on request.

#### KENNEMER & ARMSTRONG

823 Republic Bank Bldg.  
Dallas, Texas  
Representing: Maryland Casualty; American Home Underwriters of American Home; Fire Assurance Co.; Pearl Assurance; Eureka-Security Fire and Marine; Monarch Fire. Others on request.

#### Cantey, Hanger & McMahon

15th Floor, Sinclair Bldg.  
Fort Worth, Texas  
Samuel B. Cantey  
William A. Hanger  
Mack McMahon  
W. D. Smith  
Samuel B. Cantey, Jr.  
Alfred McKnight  
Gillis A. Johnson  
B. K. Hanger  
Trial all Courts—Investigations

### UTAH

#### IRVINE SKEEN & THURMAN

Suite 1501 Walker Bank Bldg.  
Salt Lake City, Utah  
Representing U. S. F. & G.  
Others on Request.  
Investigations, adjustments. Trial defense of Insurance Cases.

#### STEWART, STEWART & CARTER

1105 Continental Bank Building  
Salt Lake City, Utah  
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

### WASHINGTON

#### BAUSMAN, OLDHAM & JARVIS

1410 Hoge Bldg.  
Seattle, Wash.  
Representing Globe Indemnity; Lloyds of Minneapolis; Bankers Indemnity. Equipped for investigations in this territory.

### WASHINGTON (Cont.)

#### BOGLE, BOGLE & GATES

Sixth floor, Central Bldg., Seattle, Wash.  
Fireman's Fund; Guaranty Mutual Life; Home (Marine Dept.); Standard Steamship Owners Protection & Indemnity Assn.; United States F. & I. Agcy.; Lincoln Nat'l. Life; No. American Life; Occidental Life; Oregon Mut. Life; Puget Sound Title; St. Paul-Mercury; Amer. S. S. Owners Mut. Protection & Ind.; Bankers Life.

#### CALDWELL, LYCETTE & DIAMOND

and John N. Sylvester  
2003 Exchange Bldg.  
Seattle, Wash.  
Representing: National Surety Corp.; Royal Indemnity; Eagle Indemnity; Globe Indemnity; St. Paul Mercury Indemnity; Standard Surety & Casualty; Accident & Casualty of Switzerland.

#### SKEEL, McKELVY, HENKE, EVENSON & UHLMANN

(Formerly Roberts & Skeel)  
INSURANCE BUILDING  
E. L. Skeel Geo. Borington  
W. R. McKelvy O. M. Moen  
Harry Henke, Jr. Frederick V. Betts  
W. E. Evenson Edw. J. Brandmeir  
W. Paul Uhlmann Willard E. Skeel  
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#### H. EARL DAVIS

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Representing the Columbia Cas., Ocean Acc. & Guaranty, Royal Indemnity, Eagle Indemnity, Great American Indemnity, American Surety, New York Casualty, U. S. Guaranty, Ohio Casualty Ins., Great Lakes Casualty, Connecticut Indemnity, St. Paul Mercury Indemnity.  
Equipped to handle investigations and adjustments and all types of insurance trial work.

### WISCONSIN

#### SUTHERLAND, HUGHES & SUTHERLAND

Fond du Lac, Wisconsin  
Representing Continental Casualty; Hartford Accident; U. S. F. & G. and others on request.  
ADJUSTMENT DEPARTMENT  
LEO N. RICHTER CARL BRANDT

#### GRELLE & SCHLOTTHAUER

105 Monona Avenue  
Madison, Wisconsin  
Representing Lumbermen's Mutual Cas.; American Motorists; Zurich Fire; Zurich General Accid.; Grain Dealers Nat'l. Mut.; American Indemnity; and many others on request.  
Adjustments and Investigations also carefully handled.

#### WOLFE & HART

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Milwaukee, Wisconsin  
Special attention to the Law of Fire Insurance

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Oshkosh, Wisconsin  
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Defense Insurance Cases  
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the field and many inquiries to company branches. Marine men say that to apply the 15 percent credit and then apply 16% percent against this reduced premium would shave the net to the companies too close at this time. The 15 percent credit on annual policies, it is said, was allowed to meet certain mutual competition and the 16% percent credit on three-year term policies to meet the nonconference competition.

In scheduling jewelry and furs in three-year term personal property floaters, the premium for the blanket portion, the I. M. U. A. rules, is to be the three-year fire tariff rate less 2½ times the loading and additional charges applicable to a one-year policy. Scheduled fine arts under the personal property floater also will be subject to rates and rules applicable to fine arts policies.

#### May Itemize Articles

All other articles which if covered under specific policies would be subject to jurisdiction of the association may, provided rules of the specific class require or permit scheduling such articles, be individually itemized under the personal property floater, but the premium is to be calculated at rates for the blanket portion as if the scheduled property were included therein. No other property may be scheduled.

While men in the field expected the change relating to the personal property floater to be made effective before the end of the year, the jewelry-fur floater change was promulgated practically without notice and it is said caught many producers unprepared. They cannot understand why the I. M. U. A. did not announce the changes effective a few days or a week later.

#### Commission Can't Control Truck Cargo Coverage

LINCOLN, NEB.—Attorney General Hunter has advised the railway commission that it has no direct control over the type of insurance coverage that it requires commercial truckers to carry as a condition of their being given certificates to operate. A troublesome and long-continued strike of truck drivers led the commissioners to inquire as to the status of cargo insurance. Most of the truckers' policies contain a clause invalidating the policy where losses on cargoes occur during a strike. The commission had prescribed a form of endorsement, but the attorney general says this does not supersede or modify the insurance clause. While carriers may cancel policies containing the loss clause and seek companies that will not insist on its inclusion, the attorney general says in the last analysis the matter is one between the insurer and the insured, which could not be controlled by the commission except as it might refuse to approve policies containing the clause or require cancellation where it is in a policy. Even then, he adds, the companies are at liberty to contract or not to contract as they see fit, regardless of commission action.

#### Lloyds Chief Engineer on Tour

VANCOUVER, B. C.—S. F. Dorey, chief engineer and supervisor of Lloyds register of shipping, is on a tour of Lloyds marine agencies in Canada and the United States.

#### McComb Gives Report

NEW YORK—As president of the American Institute of Marine Underwriters, S. D. McComb, recently home from a European trip, submitted his report at the annual meeting, as did the other officers and chairmen of various standing committees, after which the following were elected directors for three years: Douglas F. Cox, Appleton & Cox; W. R. Hedge, Boston; F. B. McBride, Fireman's Fund; W. C. Spelman, Union Marine & General, and H. C. Thorn, North America. The 15 directors elect officers. This will be done

later. Following the meeting members had luncheon at the India House, in keeping with a long established practice.

## CANADIAN

#### Agency Licensing Rules in Quebec Opposed

MONTREAL—Steps are being taken in the province of Quebec to put in effect the recommendations made at the recent conference of the Canadian superintendents with regard to agency licenses. Notices have been sent out by the advisory board, which works in co-operation with Superintendent Georges Lafrance, applicable, it is understood, only to fire and casualty agencies. No action yet has been taken with regards to life insurance licenses. The regulations are meeting considerable opposition on the grounds of discrimination.

At least 1,000 agents or agencies have been notified, it is reported, that as result of changes in licensing regulations their authority to write insurance will not be renewed when licenses lapse, or will be renewed only for a probationary period of one year.

The recommendations dealt with issuance of licenses to part-time agencies, employees of insurance companies, foremen, managers, etc., in position to use coercion in writing insurance; paymasters, timekeepers, town clerks, etc., who secure information regarding financial position of prospects not available to other agents. It is understood that officials of insurance companies who have been connected with agencies, and also trust companies, are affected by the regulations. There is some doubt whether licenses legally can be withheld from trust companies whose business in administering trusts and estates requires handling insurances. For years they have maintained insurance departments or affiliated agencies.

Employees of insurance companies will be granted license only on signing agreement to become a full-time agent not later than January, 1940, or to devote full time to head office agency field work.

The secretary of the advisory board also is secretary of the Insurance Brokers Association.

#### Tighten B.C. License System

VICTORIA, B. C.—Regulations in British Columbia governing licensing of agents and solicitors have been further tightened. Hereafter, the advisory board will recommend that the insurance superintendent license no agents or salesmen for part-time work in communities of more than 5,000. Agents must maintain an office and can no longer operate from a residence. All salesmen must work out of the office of the agent employing them. The board will review all applications for renewal of licenses granted this year. All having information of persons offering insurance for sale without a license are requested to advise the board in confidence.

#### Chandler to Head Office

C. E. Chandler, who has been manager of the Western and British America group at Winnipeg since October, 1930, has been transferred to the head office in Toronto as assistant manager for Canada. Hugh P. Ham of the Winnipeg office will be manager there. Mr. Chandler was in charge of operations for the three prairie provinces. He traveled extensively through western territory and became familiar with western Canada problems.

F. M. Jacobs, export manager Union Oil Company, who has just returned from a six months visit to Japan, spoke to the San Francisco Blue Goose on conditions in that country.



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**TODAY**



**I**F you bought advertising space thirty years ago, you will remember how hard it was . . . how frequently impossible—to get information on circulation needed for effective space buying.

In 1914 a group of clear-headed men, tired of deploring the situation, resolved to do something about it. Their meeting resulted in the formation of one of the most remarkable examples of an industry's self-control—the Audit Bureau of Circulations.

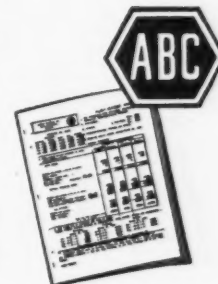
Today, A.B.C. reports reveal and analyze **NET PAID CIRCULATION**—the true measure of advertising value.

A.B.C. reports answer the three vital circulation questions: how much is there? where is it? how was it secured? A.B.C. reports give verified information on the *quantity*, and an important index of the *quality* of circulation.

Before you buy space in any publication, study the A.B.C. report carefully. Know what you're getting. Then buy—and get what you pay for.

• • •

Ask for a copy of our latest A.B.C. report. It will give you quickly and completely the facts you want to know about the circulation of this paper.



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**A.B.C. = Audit Bureau of Circulations = FACTS as a yardstick of advertising value**

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REMEMBER how Fred's face lighted up the day you told him the U. S. F. & G. had made full settlement of that automobile claim? To Fred, it meant the end of a tragic situation—he had honorably discharged his responsibility. To the injured man, your settlement meant the easing of his burden while the finest medical care available helped restore his health.

These two tragedies would not have worked out that way—except for a *friendly word* from you. One day you had said to Fred—"Fred, let's increase the limits of that automobile policy of yours. It is well below the average of last year's settlements."

Fred didn't realize—as you did—that merely having automobile liability coverage isn't enough—that it should cover with a comfortable margin of safety. That's why you performed a real service when you gave Fred that "friendly word of advice."

Here at the U. S. F. & G. we must rely on *you* to solve the fidelity, casualty and surety problems of your prospects and policyholders. To help you do this, we support your efforts with prompt and fair settlement of claims.

There is a real thrill in knowing that your customers are covered!

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UNITED STATES FIDELITY & GUARANTY COMPANY

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